



**PUBLIC NOTICE  
TOWN OF LAKE PARK  
Virtual Regular  
Commission Meeting**

**Wednesday, August 5, 2020 6:30 P.M.**

PURSUANT TO THE AUTHORITY CONTAINED IN GOVERNOR DESANTIS' EXECUTIVE ORDER NUMBER 20-69, THE TOWN OF LAKE PARK TOWN COMMISSION WILL BE UTILIZING COMMUNICATION MEDIA TECHNOLOGY AS PROVIDED IN SECTION 120.54(5)(b)2. FLORIDA STATUTE.

**THE TOWN OF LAKE PARK WILL CONDUCT A SPECIAL CALL MEETING UTILIZING COMMUNICATION MEDIA TECHNOLOGY DUE TO GOVERNOR DESANTIS' EXECUTIVE ORDER 20-69 ON WEDNESDAY, AUGUST 5, 2020 AT 6:30 P.M.**

The meeting agenda packet can be found on the Town's website at [www.lakeparkflorida.gov](http://www.lakeparkflorida.gov)

Public comments must be submitted 24-hour in advance of the meeting to the Town Clerk at [townclerk@lakeparkflorida.gov](mailto:townclerk@lakeparkflorida.gov).

Members of the public that wish to participate may do so by joining Zoom from your computer, tablet or smartphone via - Join Zoom Meeting

<https://us02web.zoom.us/j/87959273814?pwd=VDh5aUhc1RnciINTVzBDdUZDS1pTQT09>

Meeting ID: 826 7717 3306

Passcode: 244988

**Dial by your location**

+1 929 205 6099 US (New York)

(A) On March 20, 2020, Governor Ron DeSantis issued Executive Order 20-69, "Emergency Management – COVID-19 Local Government Public Meetings", and

(B) Pursuant to Executive Order 20-69, the physical quorum and location requirements for public meetings are suspended, and the Town of Lake Park is authorized to hold public meetings Section 120.54(5)(b)2, Florida Statute (see below).

(C) The Town of Lake Park, Florida has implemented protocol for public meetings utilizing Communication Media Technology sited above.

The public may access the meeting by the method prescribed above and provide public comment by submitting same to the Town Clerk at [townclerk@lakeparkflorida.gov](mailto:townclerk@lakeparkflorida.gov). For additional information, please contact the Town Clerk at 561-881-3311.

In accordance with the Americans with Disabilities Act (“ADA”), persons with disabilities requiring accommodations in order to participate in this public meeting should contact the Town Clerk’s Office at (561) 881-3311 no later than three (3) business days prior to such meeting.

---

**Shaquita Edwards, MPA, MMC**  
**Deputy Town Clerk**

**Anyone wishing to appeal any decision made by the Lake Park Town Commission with respect to any matter considered at such meeting or hearing will need a record of the proceedings and, for such purpose, may need to ensure that a verbatim record of the proceeding is made, which record includes the testimony and evidence upon which the appeal is to be based.**

**Posted: July 30, 2020**

**120.54(5)(b)2, Florida Statute.**

2. Uniform rules for use by each state agency that provide procedures for conducting public meetings, hearings, and workshops, and for taking evidence, testimony, and argument at such public meetings, hearings, and workshops, in person and by means of communications media technology. The rules shall provide that all evidence, testimony, and argument presented shall be afforded equal consideration, regardless of the method of communication. If a public meeting, hearing, or workshop is to be conducted by means of communications media technology, or if attendance may be provided by such means, the notice shall so state. The notice for public meetings, hearings, and workshops utilizing communications media technology shall state how persons interested in attending may do so and shall name locations, if any, where communications media technology facilities will be available. Nothing in this paragraph shall be construed to diminish the right to inspect public records under chapter 119. Limiting points of access to public meetings, hearings, and workshops subject to the provisions of s. 286.011 to places not normally open to the public shall be presumed to violate the right of access of the public, and any official action taken under such circumstances is void and of no effect. Other laws relating to public meetings, hearings, and workshops, including penal and remedial provisions, shall apply to public meetings, hearings, and workshops conducted by means of communications media technology, and shall be liberally construed in their application to such public meetings, hearings, and workshops. As used in this subparagraph, “communications media technology” means the

electronic transmission of printed matter, audio, full-motion video, freeze-frame video, compressed video, and digital video by any method available.



TOWN OF LAKE PARK  
PUBLIC COMMENT SHEET  
MEETING DATE:  
WEDNESDAY, AUGUST 5, 2020  
VIRTUAL SPECIAL CALL MEETING  
6:30 P.M. VIA ZOOM

**Instructions:** *Please complete this sheet, including your name and address; once the sheet has been completed, place in the Dropbox outside of Town Hall, or email it to the Town Clerk at [townclerk@lakeparkflorida.gov](mailto:townclerk@lakeparkflorida.gov). The comments will be read into the record during the public comment portion of the meeting.*

Sheets must be received 24-hours in advance of the meeting.

Speakers are given 3 minutes

Name: \_\_\_\_\_

Address: \_\_\_\_\_

If you are interested in receiving Town information through Email, please

provide your E-mail address: \_\_\_\_\_

I would like to make comments on the following:

---

---

---

---

---

---

---

---



# AGENDA

Lake Park Town Commission  
Town of Lake Park, Florida  
Virtual Regular Commission Meeting  
Wednesday, August 5, 2020, 6:30 P.M.  
Via Zoom

<b>Michael O'Rourke</b>	—	<b>Mayor</b>
<b>Kimberly Glas-Castro</b>	—	<b>Vice-Mayor</b>
<b>Erin T. Flaherty</b>	—	<b>Commissioner</b>
<b>John Linden</b>	—	<b>Commissioner</b>
<b>Roger Michaud</b>	—	<b>Commissioner</b>
<hr style="border-top: 1px dashed black;"/>		
<b>John O. D'Agostino</b>	—	<b>Town Manager</b>
<b>Thomas J. Baird, Esq.</b>	—	<b>Town Attorney</b>
<b>Vivian Mendez, MMC</b>	—	<b>Town Clerk</b>

PLEASE TAKE NOTICE AND BE ADVISED, that if any interested person desires to appeal any decision of the Town Commission, with respect to any matter considered at this meeting, such interested person will need a record of the proceedings, and for such purpose, may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. *Persons with disabilities requiring accommodations in order to participate in the meeting should contact the Town Clerk's office by calling 881-3311 at least 48 hours in advance to request accommodations.*

A. **CALL TO ORDER/ROLL CALL**

B. **PLEDGE OF ALLEGIANCE**

C. **SPECIAL PRESENTATION/REPORT:**

1. Proclamation in Honor of Kelvin Anderson. Tab 1
2. Proclamation in Honor of Karen Mahnk Tab 2
3. Proclamation in Honor of Judith Thomas. Tab 3
4. Proclamation in Honor of Sergeant Daniel Burrows Tab 4

D. **PUBLIC COMMENT:**

This time is provided for addressing items that do not appear on the Agenda. Please complete a comment card and provide it to the Town Clerk so speakers may be announced. Please remember comments are limited to a TOTAL of three minutes.

E. **CONSENT AGENDA:** All matters listed under this item are considered routine and action will be taken by one motion. There will be no separate discussion of these items unless a Commissioner or person so requests, in which event the item will be removed from the general order of business and considered in its normal sequence on the agenda. Any person wishing to speak on an agenda item is asked to complete a public comment card located on either side of the Chambers and given to the Town Clerk. Cards must be submitted before the item is discussed.

- 5. July 15, 2020 Commission Budget Meeting Minutes Tab 5
- 6. July 15, 2020 Regular Commission Meeting Minutes. Tab 6
- 7. Resolution 48-08-20 Establishing a Town of Lake Park Centennial Celebration Committee. Tab 7
- 8. Resolution 49-08-20 Authorizing and Directing the Mayor to Sign an Emergency Memorandum of Understanding with Waste Management for Stand-in Residential Curbside Garbage Collection Services Related to the COVID 19 Pandemic. Tab 8
- 9. Resolution 50-08-20 Authorizing and Directing the Mayor to Execute an Agreement with the State of Florida, Division of Emergency Management for Grant Funds Associated with COVID 19. Tab
- 10. Approval of Work Authorization to Hinterland Group, Inc. for Pipe Repairs at West Ilex Drive and Cypress Drive. Tab10
- 11. Notification of Emergency Procurement: Approval of the Strategic Marketing, Inc. Estimate for Production of the “We Are Open” Video for the Town and the Community Redevelopment Area. Tab 11
- 12. Resolution 51-08-20 Authorizing and Directing the Mayor to Sign the Grant Agreement with the Department of Environmental Protection for Funding Through Florida’s Resilient Coastline Program (FRGP) for Seawall Survey and Assessment and Vulnerability Assessment of Infrastructure Along the Lake Worth Lagoon Waterfront Tab 12
- 13. Resolution No. 52-08-20 Award of Request for Qualifications with SDI Tab 13

F. **ORDINANCE ON FIRST READING:**

- 14. Ordinance No. 08-2020 Amending Chapter 78 to Add the Definition of Small Scale Food and Beverage Production. Tab 14

**AN ORDINANCE OF THE TOWN COMMISSION OF THE TOWN OF LAKE PARK, FLORIDA, AMENDING CHAPTER 78, ARTICLE III, SECTIONS 78-2 TO ADD THE DEFINITION OF SMALL SCALE FOOD AND BEVERAGE PRODUCTION; PROVIDING FOR THE AMENDMENT OF SECTION 78-71, THE C-1 BUSINESS DISTRICT TO ADD SMALL SCALE FOOD AND**

**BEVERAGE PRODUCTION AS A SPECIAL EXCEPTION USE; PROVIDING FOR THE REPEAL OF ALL ORDINANCES IN CONFLICT HEREWITH; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.**

**G. OPEN PUBLIC HEARING(S):**

**15. Presentation of the Proposed Sanitation Rate Adjustments**

**Tab 15**

**H. PUBLIC HEARING(S) – ORDINANCE ON SECOND READING:**

**16. Ordinance No. 06-2020 Rezoning of Eight Properties Located on the East Side of Prosperity Farms Road.**

**Tab 16**

**AN ORDINANCE OF THE TOWN COMMISSION OF THE TOWN OF LAKE PARK, FLORIDA REZONING EIGHT PROPERTIES LOCATED ON THE EAST SIDE OF PROSPERITY FARMS ROAD, LEGALLY DESCRIBED IN EXHIBIT “A”, AND SHOWN IN FIGURE 1 FROM R-3 RESIDENCE TO C-IB NEIGHBORHOOD COMMERCIAL AND AMENDING THE OFFICIAL ZONING MAP TO REFLECT THE REZONING; AND PROVIDING FOR AN EFFECTIVE DATE.**

**17. Ordinance No. 07-2020 Amending Section 70-103 of Chapter 70 Pertaining to Temporary Signs.**

**Tab 17**

**AN ORDINANCE OF THE TOWN COMMISSION OF THE TOWN OF LAKE PARK, FLORIDA, AMENDING SECTION 70-103 OF CHAPTER 70 PERTAINING TO TEMPORARY SIGNS; PROVIDING FOR THE REPEAL OF LAWS IN CONFLICT; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.**

**\*\*\*\*\* CLOSE PUBLIC HEARING\*\*\*\*\***

**I. NEW BUSINESS:**

**18. Resolution 53-08-20 Authorizing and Directing the Mayor to Execute a License Agreement with SEH Lake Park LLC to Utilize Certain Town Owned Property for Parking Purpose for the Benefit of a Restaurant Known as Dunkin Donut.**

**Tab 18**

**19. Florida League of Cities 2020 Virtual Annual Business Meeting Voting Delegate Tab 19**

**J. PUBLIC COMMENT:**

**This time is provided for addressing items that do not appear on the Agenda. Please complete a comment card and provide it to the Town Clerk so speakers may be announced. Please remember comments are limited to a TOTAL of three minutes.**

**K. TOWN ATTORNEY, TOWN MANAGER, COMMISSIONER COMMENTS:**

**L. REQUEST FOR FUTURE AGENDA ITEMS:**

**M. ADJOURNMENT:**

**Next Scheduled Regular Commission Meeting will be held on August 19, 2020**



# **Special Presentations /Reports**

# **Proclamations**

# TAB 1



Town of Lake Park Town Commission

Agenda Request Form

Meeting Date: August 5, 2020

Agenda Item No.

Agenda Title: Proclamation in Honor of Kelvin Anderson

- SPECIAL PRESENTATION/REPORTS
- BOARD APPOINTMENT
- PUBLIC HEARING
- NEW BUSINESS
- OTHER: Proclamation
- CONSENT AGENDA
- OLD BUSINESS
- ORDINANCE ON FIRST READING

Approved by <sup>ACTING</sup> Town Manager *Paula McElhannon* Date: 7/22/2020

Name/Title

<b>Originating Department:</b>  <b>Human Resources</b>	Costs: \$ 0.00 Funding Source: Acct. # <input type="checkbox"/> Finance _____	<b>Attachments:</b>  <b>Copy of Proclamation</b>
<b>Advertised:</b> Date: _____ Paper: _____ <input checked="" type="checkbox"/> Not Required	All parties that have an interest in this agenda item must be notified of meeting date and time. The following box must be filled out to be on agenda.	<b>Yes I have notified everyone</b> <u>BMT</u> OR Not applicable in this case ____  <b>Please initial one.</b>

Summary Explanation/Background:

Recommended Motion:

**PROCLAMATION  
COMMENDING KELVIN ANDERSON**

**WHEREAS; Kelvin Anderson** commenced his employment with the Town of Lake Park as a Public Works Employee I on December 12, 1988; and

**WHEREAS; Kelvin Anderson** was reclassified to Maintenance Worker I in the Public Works Department on October 1, 1989; and

**WHEREAS;** because of his hard work and dedication to duty, **Kelvin Anderson** was promoted to the position of Maintenance Worker II on December 12, 1992, and he has also on occasion served as the Grounds Maintenance Crew Leader; and

**WHEREAS; Kelvin Anderson** has as a result of his professionalism and thorough knowledge of all aspects of his responsibilities endeavored to provide a high caliber of service to the Town and to its citizens; and

**WHEREAS; Kelvin Anderson** has proven himself to be a team player and an asset to the Town who is always willing to get the job done; and

**WHEREAS; Kelvin Anderson** has as a result of his actions established an excellent record of job performance and service with the Town of Lake Park and is highly respected not only by his peers and by management, but by all who have had the privilege to consider him a colleague; and

**WHEREAS;** the Commission of the Town of Lake Park wishes to publicly recognize and honor **Kelvin Anderson** for his accomplishments;

**NOW, THEREFORE,** on behalf of the Commission of the Town of Lake Park, I, Michael O'Rourke, Mayor of the Town of Lake Park, do hereby publicly commend **Kelvin Anderson** for possessing the attributes which have earned the respect and gratitude of this community and wish him well in his future endeavors.

**IN WITNESS WHEREOF,** I have hereto set my hand and caused the official Seal of the Town of Lake Park, Florida to be affixed this 5<sup>th</sup> day of August, 2020.

ATTEST:

By: \_\_\_\_\_  
Mayor Michael O'Rourke



  
Vivian Mendez, Town Clerk

# TAB 2



**Town of Lake Park Town Commission**

**Agenda Request Form**

**Meeting Date: August 5, 2020**

**Agenda Item No.**

**Agenda Title: Proclamation in Honor of Karen Mahnk**

- SPECIAL PRESENTATION/REPORTS
- BOARD APPOINTMENT
- PUBLIC HEARING
- NEW BUSINESS
- OTHER: Proclamation
- CONSENT AGENDA
- OLD BUSINESS
- ORDINANCE ON FIRST READING

Approved by <sup>ACTING</sup> Town Manager *Paul M. Miller* Date: 7/24/2020

Name/Title

<b>Originating Department:</b>  <b>Human Resources</b>	Costs: \$ 0.00 Funding Source: Acct. # <input type="checkbox"/> Finance _____	<b>Attachments:</b>  <b>Copy of Proclamation</b>
<b>Advertised:</b> Date: _____ Paper: _____ <input checked="" type="checkbox"/> Not Required	All parties that have an interest in this agenda item must be notified of meeting date and time. The following box must be filled out to be on agenda.	<b>Yes I have notified everyone</b> <u>BMT</u> or Not applicable in this case ____  <b>Please initial one.</b>

**Summary Explanation/Background:**

**Recommended Motion:**

**PROCLAMATION  
IN HONOR OF KAREN MAHNK**

**WHEREAS; Karen Mahnk** commenced her employment with the Town of Lake Park as Librarian I on March 26, 2003; and

**WHEREAS; Karen Mahnk** distinguished herself by obtaining her Master of Science Degree in Library and Information Studies on August 13, 2004 from Florida State University; and

**WHEREAS;** in recognition of her knowledge, skills and abilities, **Karen Mahnk** was promoted to the position of Librarian II on August 14, 2006; and

**WHEREAS;** throughout her employment with the Town of Lake Park, **Karen Mahnk** has distinguished herself by going beyond the call of duty by accepting and performing additional duties and responsibilities including serving as Interim Library Director. Whenever there was a need, **Karen Mahnk** was always the first to offer her assistance; and

**WHEREAS;** because of her service and commitment to duty, on April 12, 2010 **Karen Mahnk** was promoted to the position of Library Director where she served as the Library's executive officer, planning, directing, coordinating and managing all phases of the Library operation; and

**WHEREAS;** the Town of Lake Park wishes to publicly recognize **Karen Mahnk** for her contributions and commitment to the needs of the Town and the citizens of the Town of Lake Park.

**NOW, THEREFORE,** on behalf of the Commission of the Town of Lake Park, I, Michael O'Rourke, Mayor of the Town of Lake Park, do hereby publicly commend **Karen Mahnk** and express our sincere gratitude for the services that she has rendered to this community and wish her well in her future endeavors.

**IN WITNESS WHEREOF,** I have hereto set my hand and caused the official Seal of the Town of Lake Park, Florida to be affixed this 5<sup>th</sup> day of August, 2020.

By: \_\_\_\_\_  
Mayor Michael O'Rourke



ATTEST:

  
Vivian Mendez, Town Clerk



# TAB 3



**Town of Lake Park Town Commission**

**Agenda Request Form**

**Meeting Date August 5, 2020**

**Agenda Item No.**

**Agenda Title Proclamation Honoring Judith Thomas**

- SPECIAL PRESENTATION/REPORTS  CONSENT AGENDA
- BOARD APPOINTMENT  OLD BUSINESS
- PUBLIC HEARING ORDINANCE ON \_\_\_\_\_ READING
- NEW BUSINESS
- OTHER: WORKSHOP \_\_\_\_\_

Approved by Town Manager *[Signature]* Date: 7-7-2020

**John O. D'Agostino, Town Manager**

Name/Title

<b>Originating Department:</b>  Town Manager	Costs: \$ 0 Funding Source: General Fund Acct. # <input type="checkbox"/> Finance _____	<b>Attachments:</b> <ul style="list-style-type: none"> <li>• Judith Thomas Proclamation</li> </ul>
<b>Advertised:</b> Date: _____ Paper: _____ <input checked="" type="checkbox"/> Not Required	All parties with interest in this agenda item are be notified of meeting date and time. The following box must be filled out to be on the agenda.	X Yes, I have notified everyone OR Not applicable in this case _____ <b>Please initial one.</b>

**Summary Explanation/Background:** At the request and vote of the Town Commission, the attached proclamation is provided on behalf of Judith Thomas.

**Recommended Motion:** No vote necessary

# PROCLAMATION

## COMMENDING JUDITH THOMAS

**WHEREAS, Judith Thomas** was appointed to the Planning and Zoning Board by the Town Commission of the Town of Lake Park on May 7, 2008; and

**WHEREAS,** because of her expertise in the area of planning and zoning and the leadership skills that she exhibited as a member of the Board, **Judith Thomas** was appointed by the Planning and Zoning Board members to the position of Vice-Chair of the on May 2, 2011; and

**WHEREAS, Judith Thomas** was appointed by the Planning and Zoning Board Members as Chairperson of the Board on May 5, 2012; and

**WHEREAS,** throughout her entire tenure on the Planning and Zoning Board, **Judith Thomas** has served the Board and the Townspeople of Lake Park with dignity and distinction, and

**WHEREAS,** the importance of the Planning and Zoning Board is crucial to the future success of the Town and in her role as Chairperson **Judith Thomas** has ensured that the Town's vision and direction are carried forth through the numerous projects that have come before her Board; and

**WHEREAS, Judith Thomas'** longstanding service to the Town has ensured that the Planning and Zoning Board remains a vital contributor to the growth and development of Lake Park and the Commission of the Town of Lake Park wishes to publicly recognize her and express its gratitude for the important public service that she has provided.

**NOW, THEREFORE,** on behalf of the Commission of the Town of Lake Park, I, Michael O'Rourke, Mayor of the Town of Lake Park, do hereby publicly commend **Judith Thomas** and congratulate her for her years of service and look forward to her continued service to the Townspeople of Lake Park for years to come. I, therefore, urge all residents of the Town of Lake Park to join with me in proclaiming the Fifth day of August, 2020 as **Judith Thomas Day in the Town of Lake Park.**

*IN WITNESS WHEREOF, I have hereto set my hand and caused the official Seal of the Town of Lake Park, Florida to be affixed this 5<sup>th</sup> day of August,*

By: \_\_\_\_\_  
Mayor Michael O'Rourke



ATTEST:

  
Vivian Mendez, Town Clerk

# TAB 4



**Town of Lake Park Town Commission**

**Agenda Request Form**

**Meeting Date: August 5, 2020**

**Agenda Item No.**

**Agenda Title: Proclamation in Honor of Palm Beach County Sheriff's Office  
Sergeant Daniel Burrows**

- SPECIAL PRESENTATION/REPORTS
- BOARD APPOINTMENT
- PUBLIC HEARING
- NEW BUSINESS
- OTHER: Proclamation
- CONSENT AGENDA
- OLD BUSINESS
- ORDINANCE ON FIRST READING

Approved by Town Manager <sup>ACTING</sup> Paul McClinton Date: 7/24/2020

Name/Title

<b>Originating Department:</b>  <b>Human Resources</b>	Costs: \$ 0.00 Funding Source: Acct. # <input type="checkbox"/> Finance _____	<b>Attachments:</b>  <b>Copy of Proclamation</b>
<b>Advertised:</b> Date: _____ Paper: _____ <input checked="" type="checkbox"/> Not Required	All parties that have an interest in this agenda item must be notified of meeting date and time. The following box must be filled out to be on agenda.	<b>Yes I have notified everyone <u>BMT</u></b> OR Not applicable in this case ____  <b>Please initial one.</b>

**Summary Explanation/Background:**

**Recommended Motion:**

**PROCLAMATION IN HONOR OF SERGEANT DANIEL BURROWS**

**WHEREAS; Sergeant Daniel Burrows** commenced his public service career by enlisting in the United States Army in 1984; and

**WHEREAS;** in 1990 **Sergeant Daniel Burrows** became a State Wild Life Officer assigned to Palm Beach County; and

**WHEREAS; Sergeant Daniel Burrows** was nominated in 1993 as the Palm Beach Post Officer of the Year; and

**WHEREAS;** in 1994, **Sergeant Daniel Burrows** joined the Palm Beach County Sheriff's Office where he has been assigned to Canine, SWAT, Dignitary Protection, Narcotics and Road Patrol; and

**WHEREAS;** as a Narcotics Supervisor **Sergeant Daniel Burrows'** Unit was selected as the State of Florida Narcotics Association Unit of the Year in 2008; and

**WHEREAS; Sergeant Daniel Burrows** was transferred to Lake Park in 2012 where he has served the citizens of the Town of Lake Park with distinction; and

**WHEREAS; Sergeant Daniel Burrows** has been selected as the Sergeant of the Year annually since 2015; and

**WHEREAS;** in 2016 **Sergeant Daniel Burrows** created and implemented active shooter training for all Town of Lake Park employees which he has facilitated on an annual basis; and

**WHEREAS; Sergeant Daniel Burrows** is now retiring after more than 30 years of service as a law enforcement officer; and

**WHEREAS;** the Town of Lake Park wishes to publicly recognize **Sergeant Daniel Burrows** for his accomplishments.

**NOW, THEREFORE,** on behalf of the Commission of the Town of Lake Park, I, Michael O'Rourke, Mayor of the Town of Lake Park, do hereby publicly recognize and commend **Sergeant Daniel Burrows** for his dedication and the service which he has rendered to this community.

**IN WITNESS WHEREOF,** I have hereto set my hand and caused the official Seal of the Town of Lake Park, Florida to be affixed this 5<sup>th</sup> day of August, 2020.

ATTEST:

By: \_\_\_\_\_  
Mayor Michael O'Rourke



*Vivian Mendez*  
Vivian Mendez, Town Clerk

# **Consent Agenda**

# TAB 5





**Town of Lake Park Town Commission**

**Agenda Request Form**

**Meeting Date: August 5, 2020**

**Agenda Item No.**

**Agenda Title: July 15, 2020 Virtual Budget Commission Meeting Minutes.**

- SPECIAL PRESENTATION/REPORTS  **CONSENT AGENDA**
- BOARD APPOINTMENT  OLD BUSINESS
- PUBLIC HEARING ORDINANCE ON FIRST READING
- NEW BUSINESS
- OTHER: \_\_\_\_\_

Bambi McKibbon-Turner  
Turner

Digitally signed by Bambi McKibbon-Turner  
DN: cn=Bambi McKibbon-Turner, o=Town  
of Lake Park, ou=Assistant Town Manager/  
Human Resources Director,  
email=btumer@lakeparkflorida.gov, c=US  
Date: 2020.07.16 16:30:48 -0400'

**Approved by Town Manager** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Shaquita Edwards, MPA, MMC**

<b>Originating Department:</b>  <p style="text-align: center;"><b>Town Clerk</b></p>	<b>Costs: \$ 0.00</b> <b>Funding Source:</b> <b>Acct. #</b> <input type="checkbox"/> Finance _____	<b>Attachments:</b> <b>-Minutes</b> <b>-Exhibit "A"</b>
<b>Advertised:</b> <b>Date:</b> _____ <b>Paper:</b> _____ <input type="checkbox"/> <b>Not Required</b>	All parties that have an interest in this agenda item must be notified of meeting date and time. The following box must be filled out to be on agenda.	Yes I have notified everyone _____ or Not applicable in this case <i>S.E.</i> <b>Please initial one.</b>

**Recommended Motion:** To approve the July 15, 2020 Virtual Budget Commission Meeting Minutes.



**Minutes  
Town of Lake Park, Florida  
Virtual Budget Meeting Minutes  
Wednesday, July 15, 2020, 6:00 PM  
Via Zoom**

The Town Commission met for the purpose of a Virtual Budget Meeting on Wednesday, July 15, 2020 at 6:00 p.m. Present were Mayor Michael O'Rourke, Vice-Mayor Kimberly Glas-Castro, Commissioners Erin Flaherty, John Linden, and Roger Michaud, Assistant Town Manager Bambi McKibbon-Turner, Attorney Thomas Baird, and Town Clerk Vivian Mendez.

Town Clerk Mendez performed the roll call and Mayor O'Rourke led the pledge of allegiance.

**NEW BUSINESS:**

**1. Presentation of the Preliminary Fiscal Year 2020/2021 Budget.**

**1a. Commission Discussion of the Presented Preliminary Fiscal Year 2020/2021 Budget.**

Assistant Town Manager McKibbon-Turner presented the following to the Commission (see Exhibit "A"). Commissioner Linden requested clarification of the rollback rate and the projected impacts. Assistant Town Manager McKibbon-Turner announced that the rollback rate was 4.6015 (16.21% increase), and if approved would result in staff cuts and furloughs. Finance Director Lourdes Cariseo explained that at least \$400k-\$500k would be required to circumvent the rollback rate. She explained that the Rollback Rate was 4.6015 and the Proposed Operating Millage Rate was 5.3474. Vice-Mayor Glas-Castro requested clarification of the Millage and Rollback Rates. Finance Director Cariseo stated that she would forward an email providing clarification to the Commission. Commissioner Linden requested an update regarding the funds collected as a result of the Nautilus Project, and clarification of the current deficit. Finance Director Cariseo explained that the aforementioned funds were placed in the Public Improvement Fund, and that permit fees had not been received. Community Development Director DiTommaso explained that the Town had collected \$1.8 Million Dollars and the Code was very specific regarding the categories of Public Improvement for which the funds may be expended. She explained that the Permit Revenue of approximately \$2 Million Dollars had not been received, and was expected September/October 2020. Commissioner Linden questioned if the anticipated \$2 Million Dollars in Revenue could be applied to the Rollback Rate of \$500k. Finance Director Cariseo explained that the anticipated funds would be expended for one-time expenditures and not reoccurring expenses or salaries. Discussion ensued regarding concerns with the Preliminary Budget, Millage Rate, and Rollback Rate. Finance Director Cariseo restated that she would forward an email providing clarification to the Commission.

**2. Setting the Current Year Proposed Operating Millage Rate, and Restating the Date, Time, and Location for the First Public Budget Hearing.**

**Motion: Commissioner Michaud moved to set the current year millage rate at 5.3474 mills, and restating the date, time, and place for the first public budget hearing as set for September 2, 2020, at 6:30 p.m. in the Town Commission Chambers. Commissioner Flaherty seconded the motion.**

Vote on Motion:

Commission Member	Aye	Nay	Other
Commissioner Flaherty	X		
Commissioner Linden		X	
Commissioner Michaud	X		
Vice-Mayor Glas-Castro		X	
Mayor O'Rourke	X		

Motion passed 3-2.

**PUBLIC COMMENT:** None

**FUTURE AGENDA SUGGESTIONS:** None

**TOWN ATTORNEY, TOWN MANAGER, COMMISSIONER COMMENTS:**

**Town Attorney Baird** had no comments.

**Assistant Town Manager McKibbon-Turner** had no comments.

**Commissioner Linden** had no comments.

**Commissioner Michaud** had no comments.

**Commissioner Flaherty** had no comments.

**Vice-Mayor Glas-Castro** had no comments.

**Mayor O'Rourke** had no comments.

**ADJOURNMENT**

There being no further business to come before the Commission and after a motion to adjourn by Commissioner Flaherty and seconded by Commissioner Linden, and by unanimous vote, the meeting adjourned at 6:38 p.m.

\_\_\_\_\_  
Mayor Michael O'Rourke

\_\_\_\_\_  
Town Clerk, Vivian Mendez, MMC

\_\_\_\_\_  
Deputy Town Clerk, Shaquita Edwards, MPA, MMC

Town Seal

Approved on this \_\_\_\_\_ of \_\_\_\_\_, 2020

## **Exhibit “A”**

### **Budget Meeting Presentation**

The following information is being provided to the Commission at the Town Manager’s request.

The purpose of tonight’s meeting is to present the Preliminary Fiscal Year 2020/2021 Budget in global terms. The budget is balanced using the current millage rate of 5.3474. The Fire MSTU for FY 2021 is 3.4581. We have not raised our millage in the past six years. The purpose of this meeting is to not go through the budget by line item but rather to highlight the major components. The Mayor and Commission members will have an opportunity to do that during the individual one-on-one budget meetings with the Finance Team which have been scheduled commencing August 3<sup>rd</sup>, as well as during the two public hearings on the budget.

The budget highlights that we are capturing any increase in value to balance the operating budget. We are taking money from the operating budget to cover the expenses of Sanitation employees working in the General Fund. The General Fund is reimbursing the Enterprise Fund for services provided by Sanitation Fund employees. . This amount is \$108,000.

We are also going to use \$135,000 to purchase the recycle barrels with a 5 percent payback on the purchase. The key is that this is not coming out of the Sanitation Fund at this time. The General Fund is supporting this purchase out of the General Fund Reserves in order to keep those increases as low as possible. This reduces the increase in the Sanitation rate by \$108,000. An agreement will be developed between the General Fund and the Sanitation Fund to facilitate the purchase of these barrels.

With regard to Revenues, we have estimated the Revenues on the conservative side. The Finance Team has reviewed all of the revenue coming into the Town and made adjustments. The administrative fees for the Marina, Sanitation, Stormwater and Streets and Roads have been replaced with “indirect cost allocations” in response to the comment raised by the Town’s auditors. In doing so, we did away with administrative fees, wages reclassified, and transfers.

What is not included in this budget are the suggested pay increases for General Fund employees stemming from the Evergreen Solutions LLC compensation study.

Only the increase for employees whose positions are covered by the Collective Bargaining Agreement have been budgeted as these were approved by the Commission last year. A 3 & 1/2 percent increase for General Fund employees has been included which consists of merit increases for employees and the 2 percent cost of living increase. We always factor in 1 & 1/2 percent merit increase because the maximum merit increase is 2 percent but not all employees receive the maximum merit increase. Such increases have been included in the 900 non-departmental fund.

As for employee benefit renewals, a 10 percent increase has been budgeted and \$163,455 has been budgeted for property and casualty renewals. And this is also in the 900 non-departmental fund.

PBSO has decided to give a 0 percent increase for public safety for the Town of Lake Park for the new fiscal year.

If you have any specific questions, the Town Manager will follow up with you upon his return from vacation.

**Millage Rate:**

This evening, the Commission needs to set a millage rate for FY 2021 at a not-to-exceed rate. You can lower it, but you cannot raise it. The rate is 5.3474.

The rollback rate is 16.21 percent and if the Commission approves this rate, it would result in staff cuts and furloughs. However, as I indicated previously, budget is balanced using the millage rate of 5.3474.

# TAB 6



**Town of Lake Park Town Commission**

**Agenda Request Form**

**Meeting Date: August 5, 2020**

**Agenda Item No.**

**Agenda Title: July 15, 2020 Virtual Regular Commission Meeting Minutes.**

- SPECIAL PRESENTATION/REPORTS  **CONSENT AGENDA**
- BOARD APPOINTMENT  OLD BUSINESS
- PUBLIC HEARING ORDINANCE ON FIRST READING
- NEW BUSINESS
- OTHER: \_\_\_\_\_

Bambi

Digitally signed by Bambi McKibbon-Turner  
 DN: cn=Bambi McKibbon-Turner, o=Town of Lake Park, ou=Assistant Town Manager/  
 Human Resources Director, email=bturmer@lakeparkflorida.gov  
 Date: 2020.07.16 16:31:28 -0400

**Approved by Town Manager** McKibbon-Turner

**Date:** \_\_\_\_\_

**Shaquita Edwards, MPA, MMC**

<b>Originating Department:</b>  <b>Town Clerk</b>	<b>Costs: \$ 0.00</b> <b>Funding Source:</b> <b>Acct. #</b> <input type="checkbox"/> Finance _____	<b>Attachments:</b> <b>-Minutes</b> <b>-Exhibit "A"</b>
<b>Advertised:</b> Date: _____ Paper: _____ <input type="checkbox"/> <b>Not Required</b>	All parties that have an interest in this agenda item must be notified of meeting date and time. The following box must be filled out to be on agenda.	Yes I have notified everyone _____ OR Not applicable in this case <i>S.E.</i> <b>Please initial one.</b>

**Recommended Motion:** To approve the July 15, 2020 Virtual Regular Commission Meeting Minutes.





**Minutes  
Town of Lake Park, Florida  
Virtual Regular Commission  
Meeting Minutes  
Wednesday, July 15, 2020  
Via Zoom**

The Town Commission met for the purpose of a Regular Commission Meeting on Wednesday, July 15, 2020 at 6:42 p.m. Present were Mayor Michael O’Rourke, Vice-Mayor Kimberly Glas-Castro, Commissioners Erin Flaherty, John Linden, and Roger Michaud, Assistant Town Manager Bambi McKibbon-Turner, Attorney Thomas Baird, and Town Clerk Vivian Mendez.

Town Clerk Mendez performed the roll call and Mayor O’Rourke led the pledge of allegiance.

**SPECIAL PRESENTATION/REPORT:** None

**PUBLIC COMMENT:** None

**CONSENT AGENDA:**

**1. July 1, 2020 Regular Commission Meeting Minutes.**

**Motion: Commissioner Flaherty moved to approve the consent agenda; Commissioner Linden seconded the motion.**

Vote on Motion:

Commission Member	Aye	Nay	Other
Commissioner Flaherty	X		
Commissioner Linden	X		
Commissioner Michaud	X		
Vice-Mayor Glas-Castro	X		
Mayor O’Rourke	X		

Motion passed 5-0.

**PUBLIC HEARING – ORDINANCE ON FIRST READING:** None

**PUBLIC HEARING – ORDINANCE ON SECOND READING:** None

**NEW BUSINESS:**

**2. Resolution No. 47-07-20 Authorizing and Directing the Mayor to Execute an Agreement with Sales at Sea LLC to Lease Slips at the Lake Park Harbor Marina for a Three Year Term for the use of a Barge Model Unit for the Nautilus Mixed-Use Project.**

Town Attorney Baird explained the item.

**Motion: Vice-Mayor Glas-Castro moved to approve Resolution No. 47-07-20; Commissioner Flaherty seconded the motion.**

Commissioner Linden referred to emails forwarded by Town Manager D’Agostino regarding the Department of Environmental Protection and asked for clarification of a Barge and a Barge with a Three-Story Home on it. Attorney Baird explained that there was a difference between a floating structure and a floating vessel. He explained that the Town of Lake Park was in full compliance of all laws that regulate its Marina.

Vote on Motion:

Commission Member	Aye	Nay	Other
Commissioner Flaherty	X		
Commissioner Linden	X		
Commissioner Michaud	X		
Vice-Mayor Glas-Castro	X		
Mayor O’Rourke	X		

Motion passed 5-0.

**3. Fiscal Year 2019/2020 Budget Updates for all Budgets.**

Assistant Town Manager McKibbon-Turner and Finance Director Lourdes Cariseo explained the item.

**PUBLIC COMMENT:** None

**FUTURE AGENDA SUGGESTIONS:** None

**TOWN ATTORNEY, TOWN MANAGER, COMMISSIONER COMMENTS:**

**Town Attorney Baird** had no comments.

**Assistant Town Manager McKibbon-Turner** announced comments on behalf of Town Manager D’Agostino (see Exhibit “A”). Per Commission Consensus, the Proclamation Request in Honor of Constitution Week was approved.

**Commissioner Linden** questioned how the Commission could participate in the Back to School Extravaganza. Assistant Town Manager McKibbon-Turner explained that she would have Special Events Director Riunite Franks contact the Commission. He announced that he was unaware that Planning & Zoning Board Member Larry Malanga had resigned. Town Clerk Mendez announced that Planning & Zoning Board Members Martin Schneider, and Library Board Member Lupe Lawrence had resigned. She agreed to notify the Commission each time a Board member resigned.

**Commissioner Michaud** had no comments.

**Commissioner Flaherty** had no comments.

**Vice-Mayor Glas-Castro** announced Palm Beach County School Districts broadband, and fiber optic installation efforts to assist students in the continuance of Virtual Learning. She announced that a formal discussion would take place at the July 30, 2020 Issues Forum Meeting.

**Mayor O'Rourke** expressed concern for the Town of Lake Park Business Community. Assistant Town Manager McKibbon-Turner explained that the Town had mailed notices to all businesses in the Town of Lake Park to make them aware of the Small Business Loan Assistance Program.

**ADJOURNMENT**

There being no further business to come before the Commission and by unanimous vote, the meeting adjourned at 7:16 p.m.

\_\_\_\_\_  
Mayor Michael O'Rourke

\_\_\_\_\_  
Town Clerk, Vivian Mendez, MMC

\_\_\_\_\_  
Deputy Town Clerk, Shaquita Edwards, MPA, MMC

Town Seal

Approved on this \_\_\_\_\_ of \_\_\_\_\_, 2020

# Exhibit "A"

## **TOWN MANAGER COMMENTS (By Acting Town Manager-Bambi McKibbon-Turner)**

### **JULY 15, 2020 – TOWN COMMISSION MEETING**

#### **COVID-19 UPDATE**

This is to let you know that according to the Florida Department of Health website there are There are 66 cases of COVID-19 for the Town Lake Park pursuant to data through 7/14/2020 and verified as of today at 9:25 a.m.

#### **FREE COVID-19 TESTING AVAILABLE AT LAKE PARK TOWN HALL**

The Health Care District of Palm Beach County will once again provide free COVID-19 testing at Lake Park Town Hall on Thursday, July 16, from 9:00 AM to 4:00 PM. Each individual is required to complete a one-page intake form prior to being tested. Links to the forms in English, Spanish and Creole can be found at <https://www.lakeparkflorida.gov/> for your convenience. Completing the form in advance will help to expedite the testing process. If you have any questions, please call 561-642-1000.

#### **PROCLAMATION REQUEST**

Seeking Commission Approval for a future Proclamation in Honor of the 100<sup>th</sup> Anniversary of the 19<sup>th</sup> Amendment to the United States Constitution proclaiming the week of September 17-23 Constitution Week.

#### **CRA PARKING LOT**

Four proposals were received today for the design/build of the CRA Parking Lot. The prices range from \$724,285.00 to \$852,295. The next step is to convene an evaluation committee to evaluate the proposals per the criteria included in the solicitation, and then to make a recommendation to the Commission for award. It is expected that the evaluation committee process will take place within the next several weeks so that final negotiations can take place with the top ranked firm and award be brought forward to the Commission for final approval.

#### **BACK TO SCHOOL EXTRAVAGANZA**

The Town of Lake Park will host its annual Back to School Extravaganza on Saturday, August 8<sup>th</sup> from 10:00 am to 1:00 pm at Town Hall. This year's event will be a drive-up event only. All participants must pre-register to receive a backpack filled with school supplies. For more information on registration, sponsorship, donating supplies or becoming an event volunteer please contact the Special Events Department at 561-840-0160.

**Proclamation in Honor of the 100<sup>th</sup>  
Anniversary of  
the 19<sup>th</sup> Amendment to the United States  
Constitution**

**Whereas**, the year 2020 marks the 100<sup>th</sup> anniversary of the ratification of the 19<sup>th</sup> Amendment to the United States Constitution, guaranteeing and protecting women's right to vote; and

**Whereas**, this centennial offers an opportunity to commemorate a milestone of democracy; that the right of citizens of the United States to vote shall not be denied or abridged by the federal or state governments on account of sex; and

**Whereas**, we honor the women who led this movement, whose stories must not be lost to history. Florida's Ella C. Chamberlain, Tampa: 1892, began Woman's Suffrage Movement in Florida; Mary A. Nolan, Jacksonville: who picketed the White House in 1917, the oldest suffrage prisoner and "Night of Terror" survivor; and Julia (Harrison) Norris, Tampa: Chair of the NAWSA's Legislative Committee; and

**Whereas**, Florida holds a special place in women's suffrage history as thousands of Florida women advocated for the right to vote on the streets, in the newspapers, in the state capital and throughout this great state; and

**Now, therefore**, be it resolved that I, Michael O'Rourke, Mayor of Lake Park hereby recommend that residents and civic institutions  
honor the role of the ratification of the 19<sup>th</sup> Amendment in further promoting the core values of our democracy as promised by the Constitution of the United States;

reaffirm the opportunity for students and adults to learn about and commemorate the efforts of the women's suffrage movement and the role of women in our democracy; and

reaffirm our desire to continue to strengthen democratic participation and to inspire future generations to cherish and preserve the historic precedent established under the 19<sup>th</sup> Amendment.

---

O'Rourke, Mayor of Lake Park, Florida

Michael

Sample Proclamations:

**SAMPLE PROCLAMATIONS FOR CONSTITUTION WEEK**

The following proclamations can be used as suggested or in combination with one another. Proclamations you have used in the past years can also be used as samples. Chapter may adjust the dates for the correct year and anniversary.

**SAMPLE #1**

**WHEREAS:** September 17, 2020, marks the two hundred and thirty-third anniversary of the drafting of the Constitution of the United States of America by the Constitutional Convention; and

**WHEREAS:** It is fitting and proper to accord official recognition to this magnificent document and its memorable anniversary; and to the patriotic celebrations which will commemorate the occasion; and

**WHEREAS:** Public Law 915 guarantees the issuing of a proclamation each year by the President of the United States of America designating September 17 through 23 as Constitution Week,

**NOW, THEREFORE I,** \_\_\_\_\_ by virtue of the authority vested in me as (Governor or Mayor) of the State or City) of \_\_\_\_\_ (in the City of) \_\_\_\_\_ do hereby proclaim the week of September 17 through 23 as

**CONSTITUTION WEEK**

**AND** ask our citizens to reaffirm the ideals of the Framers of the constitution had in 1787 by vigilantly protecting the freedoms guaranteed to us through this guardian of our liberties, remembering that lost rights may never be regained.

**IN WITNESS WHEREOF,** I have hereunto set my hand and caused the Seal of the (State or City) to be affixed this \_\_\_\_\_ day of \_\_\_\_\_ of the year of our Lord two thousand \_\_\_\_\_.

Signed \_\_\_\_\_ SEAL Attest \_\_\_\_\_

**SAMPLE #2**

**WHEREAS:** It is the privilege and duty of the American people to commemorate the two hundred and thirty-third anniversary of the drafting of the Constitution of the United States of America with appropriate ceremonies and activities; and

**WHEREAS:** Public Law 915 guarantees the issuing of a proclamation each year by the President of the United States of America designating September 17 through 23 as Constitution Week,

**NOW, THEREFORE I,** \_\_\_\_\_ by virtue of the authority vested in me as (Governor or Mayor) of the State or City) of \_\_\_\_\_ (in the City of) \_\_\_\_\_ do hereby proclaim the week of September 17 through 23 as

**CONSTITUTION WEEK**

and urge all citizens to study the Constitution and reflect on the privilege of being an American with all the rights and responsibilities which that privilege involves.

**IN WITNESS WHEREOF,** I have hereunto set my hand and caused the Seal of the (State or City) to be affixed this \_\_\_\_\_ day of \_\_\_\_\_ of the year of our Lord two thousand \_\_\_\_\_.

Signed \_\_\_\_\_ SEAL Attest \_\_\_\_\_

---

---

**SAMPLE #3**

**WHEREAS:** The Constitution of the United States of America, the guardian of our liberties, embodies the principles of limited government in a Republic dedicated to rule by law; and

**WHEREAS:** September 17, 2020, marks the two hundred and thirty-third anniversary of the framing of the Constitution of the United States of America by the Constitutional Convention; and

**WHEREAS:** It is fitting and proper to accord official recognition to this magnificent document and its memorable anniversary, and to the patriotic celebrations which will commemorate it; and

**WHEREAS:** Public Law 915 guarantees the issuing of a proclamation each year by the President of the United States of America designating September 17 through 23 as Constitution Week,

**NOW, THEREFORE I,** \_\_\_\_\_ by virtue of the authority vested in me as (Governor or Mayor) of the State or City) of \_\_\_\_\_ (in the City of) \_\_\_\_\_ do hereby proclaim the week of September 17 through 23 as

**CONSTITUTION WEEK**

and ask our citizens to reaffirm the ideals the Framers of the Constitution had in 1787 by vigilantly protecting the freedoms guaranteed to us through this guardian of our liberties.

**IN WITNESS WHEREOF,** I have hereunto set my hand and caused the Seal of the (State or City) to be affixed this \_\_\_\_\_ day of \_\_\_\_\_ of the year of our Lord two thousand \_\_\_\_\_.

Signed \_\_\_\_\_ SEAL Attest \_\_\_\_\_



TOWN OF LAKE PARK

BACK 2 SCHOOL  
EXTRAVAGANZA



SATURDAY, AUGUST 8TH  
10:00 AM - 1:00 PM  
TOWN HALL PARKING LOT  
535 PARK AVENUE  
LAKE PARK, FL 33403



DONATIONS NEEDED:  
BACKPACKS FOLDERS  
NOTEBOOKS PAPER  
RULERS GLUE  
SCISSORS PENS  
PENCILS CRAYONS



SERVING  
K-12 GRADE  
PRE-REGISTRATION  
REQUIRED  
MUST PROVIDE  
PHOTO ID FOR  
PARENT/GUARDIAN  
& STUDENT

DRIVE-UP  
EVENT  
ONLY



FOR MORE INFORMATION REGARDING  
REGISTRATION • DONATIONS  
SPONSORSHIP • VENDORS  
CONTACT: SPECIAL EVENTS DEPARTMENT  
561-840-0160  
SPECIALEVENTS@LAKEPARKFLORIDA.GOV  
WWW.LAKEPARKFLORIDA.GOV



# TAB 7



**Town of Lake Park Town Commission**

**Agenda Request Form**

**Meeting Date: August 5, 2020**

**Agenda Item No.**

**Agenda Title: RESOLUTION 48-08-20 , ESTABLISHING A TOWN OF LAKE PARK CENTENNIAL CELEBRATION COMMITTEE**

- SPECIAL PRESENTATION/REPORTS  CONSENT AGENDA
- BOARD APPOINTMENT  OLD BUSINESS
- PUBLIC HEARING ORDINANCE ON \_\_\_\_ READING
- NEW BUSINESS**
- OTHER: \_\_\_\_\_

Approved by Town Manager *ACTING Paul M. Kelly* Date: *7/17/2020*

*Ruth C. Jank* - Special Events Director  
Name/Title

<b>Originating Department:</b>  <p style="text-align: center;">Special Events</p>	<b>Costs: \$ 0 (see requests below)</b>  Funding Source: Acct. <input type="checkbox"/> Finance _____	<b>Attachments:</b> <b>Copy of Resolution</b>
<b>Advertised:</b> Date: _____ Paper: _____ <input checked="" type="checkbox"/> Not Required	All parties that have an interest in this agenda item must be notified of meeting date and time. The following box must be filled out to be on agenda.	<b>Yes I have notified everyone</b> _____ or Not applicable in this case <b>RCF</b> <b>Please initial one.</b>

**Summary Explanation/Background:**

The Town of Lake Park was incorporated as a town on November 16, 1923 and will celebrate its 100<sup>th</sup> anniversary in 2023. At a previous Commission Meeting, the Town Commission informed staff of its desire to form a committee to help develop, support and implement the Town's plan to commemorate Lake Park's Centennial. This agenda item seeks to establish the Centennial Celebration Committee for the Town of Lake Park. The Committee will assist with planning, coordinating, budgeting, marketing and securing sponsorship for the Town's Centennial Celebration.

Through the administration of the Special Events Department, the proposed Committee shall consist of a minimum of five (5) members including, the Town Commission, Town Manager, residents and no more than two (2) business owners who need not reside in the Town. The members of the Committee shall serve at the pleasure of the Town Commission. Residents and Business Owners will need to submit a Town of Lake Park Board Application in order to be considered for the Committee. The Town Commission shall elect a Chairperson and Vice-Chairperson from among its members. Meetings are expected to be held once per month, or on an as needed basis. The Committee shall have advisory powers only, and shall not otherwise act, individually or collectively, as an agent of the Town. The Town Commission will be kept abreast of committee meetings through meeting minutes and recommendations.

**Recommended Motion:** I move to adopt Resolution 48-08-20, 2020, establishing a Town of Lake Park Centennial Celebration Committee.

**RESOLUTION NO. 48-08-20**

**A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF LAKE PARK, FLORIDA ESTABLISHING A STORMWATER POLICY COMMITTEE; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the Town of Lake Park, Florida (“Town”) is a municipal corporation of the State of Florida with such power and authority as has been conferred upon it by the Florida Constitution and Chapter 166, Florida Statutes; and

**WHEREAS**, Lake Park was incorporated as a town on November 16, 1923 and will celebrate its 100<sup>th</sup> anniversary in 2023; and

**WHEREAS**, the Town Commission intends to create a Centennial Celebration Committee (“Committee”) to help develop, support and implement the Town’s plan to commemorate Lake Park’s Centennial; and

**WHEREAS**, the Committee shall work to promote, support and encourage participation in Centennial activities and events in the Town that will showcase Lake Park’s rich historic past, inspire appreciation for growth and development and promote a sustainable future; and

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COMMISSION OF THE TOWN OF LAKE PARK, FLORIDA:

**SECTION 1.** Merger. The whereas clauses are incorporated herein as true and correct.

**SECTION 2.** Centennial Celebration Committee.

A Centennial Celebration Committee (the Committee) is hereby created which shall consist of a minimum of five (5) members. The Committee’s existence shall dissolve upon conclusion of its mission and duties as determined by the Town Commission.

**SECTION 3.** Membership

Through the administration of the Special Events Department, the Committee shall consist of the Town Commission, Town Manager, residents and no more than two business owners who need not reside in the Town. The members of the Committee shall serve at the

pleasure of the Town Commission. The Commission shall elect a Chairperson and Vice-Chairperson from among its members.

**SECTION 4. Meetings.**

A Quorum of the Committee shall consist of three or more members present and qualified to vote. The Committee shall meet monthly on a date to be determined by the Committee, unless it is determined there is no business to conduct. Meetings shall be governed by the Sunshine Law, including advertised notice, a recording of the meeting to be taken and maintained, and minutes. The conduct of the meetings shall be generally governed by Roberts Rules of Order. The Committee shall provide the opportunity for public comment at all meetings. Members of the public shall be permitted three minutes of comment on any agenda item. Additional time may be granted at the discretion of the Committee.

**SECTION 5. Powers and purpose of the Committee**

The purpose of the Committee is to provide a public forum for planning, coordinating, budgeting, marketing and securing sponsorship for the Town's Centennial Celebration. The Committee shall have advisory powers only and shall not otherwise act, individually or collectively, as an agent of the Town.

**SECTION 6. This Resolution shall become effective upon execution.**

# TAB 8



**Town of Lake Park Town Commission**

**Agenda Request Form**

**Meeting Date: August 5, 2020**

**Agenda Item No.**

**Agenda Title: Resolution Authorizing and Directing the Mayor to Sign an Emergency Memorandum of Understanding with Waste Management for Stand-in Residential Curbside Garbage Collection Services Related to the COVID19 Pandemic.**

- SPECIAL PRESENTATION/REPORTS  CONSENT AGENDA
- BOARD APPOINTMENT  OLD BUSINESS
- PUBLIC HEARING ORDINANCE ON \_\_\_\_\_ READING
- NEW BUSINESS
- OTHER: \_\_\_\_\_

**Approved by Town Manager** \_\_\_\_\_

**Date:** 7-6-2020

*RS* July 6, 2020

**Richard Scherle / Public Works Director**

<p><b>Originating Department:</b> Public Works</p>	<p><b>Costs: \$7.00 per household per week; Estimated aggregated total of \$13,000 per week for all residential properties.</b></p> <p>Funding Source: Sanitation Fund / Emergency COVID19 Acct. 404-34000 / 900-52500 <input type="checkbox"/> Finance <i>L. Cause</i></p>	<p><b>List of Exhibits:</b></p> <p>1. Resolution with Memorandum of Understanding (MOU).</p>
<p><b>Advertised:</b> Date: Paper: <input checked="" type="checkbox"/> Not Required</p>	<p>All parties that have an interest in this agenda item must be notified of meeting date and time. The following box must be filled out to be on agenda.</p>	<p>Yes I have notified everyone _____ OR <b>Not applicable in this case</b> _____ <b>Please initial one.</b></p>

**Summary Explanation/Background:**

This agenda item is seeking approval to establish an emergency Memorandum of Understanding (MOU) with Waste Management for residential curb-side garbage collection, in the event these services become needed as a result of COVID19 illness amongst sanitation staff. Previously, the Town Manager signed emergency MOUs with Waste Management for the provision of residential curbside recycling services, and commercial dumpster pickup

services. The MOU being proposed for this agenda item (which would be the third MOU signed with Waste Management), is for residential garbage collection (i.e., gray can collections) – where Waste Management would provide two-time per week collections for every residence in Town. Waste Management is qualified, able, and willing to provide these collection services, and can be called in on an extremely short notice.

The cost for these services, if required, is \$7.00 per household, per week, which includes two times per week collection services. In aggregate, it is anticipated that should the Town need to activate Waste Management under this MOU, there would be a weekly cost of approximately \$13,000.00, which is a conservative number based upon the estimated 1,838 dwelling units in Town. It is important to note that given the emergency, exigent nature of garbage collection from the perspective of public health, the costs would be partially reimbursable via a Public Assistance grant from FEMA and the state up to 87.5%.

**It should be noted this this MOU is being proposed purely as a precautionary measure due to the exigent nature of garbage collection,** in the event the Town’s residential sanitation personnel become sick with COVID19 and are unable to provide garbage collection services. Should this occur, Waste Management would be called in to provide the services on a weekly basis until our staff could resume services. It is the intention and hope of the Public Works Department to not need the services of Waste Management, but the Town needs to have a “back-up” plan should our staff become unable to report for duty.

**Recommended Motion:** I move to adopt Resolution 49-08-20.



**RESOLUTION NO. 49-08-20**

**A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF LAKE PARK, FLORIDA, AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN EMERGENCY MEMORANDUM OF UNDERSTANDING WITH WASTE MANAGEMENT, INC TO PROVIDE CURBSIDE RESIDENTIAL GARBAGE COLLECTION SERVICES; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the Town of Lake Park, Florida (“Town”) is a municipal corporation of the state of Florida with such power and authority as has been conferred upon it by the Florida Constitution and Chapter 166, Florida Statutes; and

**WHEREAS**, the Town is empowered to enter into contractual arrangements with public agencies, private corporations or other persons; and

**WHEREAS**, as a result of the COVID19 pandemic, it has become necessary on an emergency basis to establish a Memorandum of Understanding with Waste Management, Inc. (the “Contractor”) to provide for stand-in curbside residential garbage collection in the event the Town’s Public Work Department is unable to provide such services due to staff sickness; and

**WHEREAS**, the Town Commission has determined that there is an exigent need to sign the Memorandum of Understanding to further the public’s health, safety, and welfare; and

**WHEREAS**, the Contractor is qualified and able, and has agreed to provide emergency stand-in residential garbage collection services at a cost of \$7.00 per household, per week; and

**WHEREAS**, there is no cost to establish the Memorandum of Understanding, nor is there a cost to the Town if the Contractor is not activated at the Town’s direction; and

**WHEREAS**, Town Manager has recommended to the Town Commission that it is in the best interest of the Town to enter the Memorandum of Understanding with the Contractor.

**NOW THEREFORE, BE IT RESOLVED BY THE TOWN COMMISSION OF THE  
TOWN OF LAKE PARK, FLORIDA, AS FOLLOWS:**

**Section 1.** The foregoing recitals are incorporated herein by reference.

**Section 2.** The Mayor is hereby authorized and directed to execute the Memorandum of Understanding with Waste Management, Inc., a copy of which is attached hereto and incorporated herein as Exhibit 'A'.

**Section 3.** This Resolution shall take effect upon execution.

**MEMORANDUM OF UNDERSTANDING FOR CURBSIDE  
RESIDENTIAL SINGLE FAMILY AND MULTIFAMILY COLLECTION SERVICES WITHIN  
THE TOWN OF LAKE PARK**

THIS MEMORANDUM OF UNDERSTANDING is entered into this \_\_\_\_ day of \_\_\_\_\_ 2020, effective \_\_\_\_\_, by and between the Town of Lake Park, a municipal corporation organized and constituted in accordance with the laws of the State of Florida ("Town"), and Waste Management Inc. of Florida, a Florida corporation, with a business address at 651 Industrial Way, Boynton Beach, Florida 33426 ("WMIF").

WITNESSETH:

**WHEREAS**, the Town provides residential curbside solid waste collection service to single family and multifamily homes within the Town; and

**WHEREAS**, the Town is unable to continue to provide such service and requires a third party to provide such service on a temporary basis; and

**WHEREAS**, WMIF is a waste and recycling collection company with expertise, equipment and personnel to provide the needed collection service required by the Town; and

**WHEREAS**, the Town desires WMIF to provide such collection service and WMIF is willing to provide same; and

**WHEREAS**, the parties desire to memorialize their agreement herein.

**NOW, THEREFORE**, in consideration of these premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **CUSTOMER LISTS, ROUTES/SCHEDULES.** The Town will provide to WMIF customer lists, routes and schedules for all single family and multifamily curbside customers to be serviced by WMIF.

2. **RESIDENTIAL CARTS.** WMIF is authorized to utilize the residential carts currently in place and serviced by the Town. WMIF shall utilize reasonable care in handling, transporting, dumping and moving the carts. WMIF shall not be liable or responsible for normal wear and tear to the containers.

3. **WASTE MATERIALS.** WMIF shall make collections two (2) times per week. WMIF may utilize two person non-automated rear-end load trucks for collections. WMIF shall dispose of non-hazardous commercial solid waste at the facilities of the Solid Waste Authority of Palm Beach. All disposal costs shall be borne by the Town. WMIF shall not be required to collect and dispose of hazardous waste, bio-hazardous or biomedical waste, or sludge and may reject any container that WMIF reasonably believes to contain same.

5. **RATES.** The Town shall pay WMIF \$7.00 per home per week. In the event WMIF provides services to the Town under this Memorandum of Understanding that exceed twelve months in duration, the rate payable to WMIF shall be adjusted for changes in the cost of doing business as follows:

On April 1<sup>st</sup> of 2021 and each April 1<sup>st</sup> thereafter during the term of this Memorandum of Understanding, the rate shall be adjusted to reflect any changes in the Water, Sewer, and Trash Collection (WST) CPI, publicly published monthly by the Bureau of Labor Statistics (as CUUR0000SEHG), during the previous year. The rates shall be adjusted by an amount that is equal to the percentage change in the Water, Sewer, and Trash Collection (WST) CPI, publicly published monthly by the Bureau of Labor Statistics (as CUUR0000SEHG), during the most recent twelve consecutive month period beginning on February 1 and ending on January 31. Such increase in rate shall not be less than 3%. There shall be no maximum. The rate shall not be negatively adjusted.

6. **BILLING AND PAYMENT.** WMIF shall bill the Town monthly in arrears for all services rendered. The Town shall pay the invoice within 30 days of receipt. WMIF shall be entitled to compensation whether or not the Town collects from its customers.

7. **HOURS OF COLLECTION.** Collection Services shall not be provided in the Town except between the hours of 6:00 AM and 7:00 PM Monday through Friday.

8. **INSURANCE.** WMIF shall maintain in effect throughout the term of this MOU the insurance coverages set forth in Exhibit 1 attached hereto.

9. **INDEMNITY.** WMIF hereby agrees to protect, defend, indemnify and hold harmless the Town and its elected officials from and against any and all claims by a third party for loss or damage of any nature or kind arising from negligence, willful misconduct or breach of laws or of any provision of this MOU by WMIF and its employees, agents and subcontractors, except and to the extent that such loss or damage was caused by the negligence, willful misconduct or breach of laws or of any provision of this MOU by the Town.

10. **FORCE MAJEURE.** If either party is prevented from or delayed in performing its duties under this MOU by circumstances beyond its control, whether or not foreseeable, including, without limitation, fires, typhoons, hurricanes, severe weather, floods, volcanic eruption, pandemics, quarantines, war, civil disturbances, acts of terrorism, labor disputes, acts of God, or significant threats of such circumstances, or any future laws, rules, regulations, orders, or acts of any local, state, federal, or provincial government ("Force Majeure"), then the affected party shall be excused from performance hereunder during the period of such disability. The party claiming Force Majeure shall promptly notify the other party when it learns of the existence of a Force Majeure condition and when the Force Majeure condition has terminated. Notwithstanding anything in this Agreement to the contrary, the term "Force Majeure" does not include and a party shall not be excused from performance under this Agreement for events relating to increased costs, including, without limitation, increased costs of fuel, labor, insurance or other expenses of performing the services hereunder.

11. **TERM.** The term of this MOU shall commence on \_\_\_\_\_ 2020 and shall continue on a weekly basis until such time as either party provides to the other notice of termination. Such notice shall be provided not less than seven (7) days in advance of termination.

IN WITNESS WHEREOF, the Town and the Contractor have executed this Memorandum of Understanding this \_\_\_\_\_ day of \_\_\_\_\_ 2020.

ATTEST:

TOWN OF LAKE PARK, FLORIDA

\_\_\_\_\_

\_\_\_\_\_

ATTEST:

WASTE MANAGEMENT INC. OF FLORIDA

\_\_\_\_\_  
Asst. Secretary

\_\_\_\_\_

# TAB 9



**Town of Lake Park Town Commission**

**Agenda Request Form**

**Meeting Date: August 5, 2020**

**Agenda Item No.**

**Agenda Title: Resolution Authorizing and Directing the Mayor to Execute an Agreement with the State of Florida, Division of Emergency Management for Grant Funds Associated with COVID19.**

- SPECIAL PRESENTATION/REPORTS  **CONSENT AGENDA**
- BOARD APPOINTMENT  OLD BUSINESS
- PUBLIC HEARING ORDINANCE ON \_\_\_\_\_ READING
- NEW BUSINESS
- OTHER: \_\_\_\_\_

**Approved by Town Manager** \_\_\_\_\_

**Date:** 7-6-2020

Richard Scherle July 6, 2020

**Richard Scherle / Public Works Director**

<b>Originating Department:</b> <b>Public Works</b>	<b>Costs: N/A</b> Funding Source: N/A Acct. # N/A <input type="checkbox"/> Finance _____	<b>Attachments:</b> 1. Resolution <u>50-08-20</u> with Agreement
<b>Advertised:</b> <b>Date: N/A</b> <b>Paper: N/A</b> <input type="checkbox"/> Not Required	All parties that have an interest in this agenda item must be notified of meeting date and time. The following box must be filled out to be on agenda.	Yes I have notified everyone _____ OR <b>Not applicable in this case</b> _____ <b>Please initial one.</b>

**Summary Explanation/Background:**

As a result of ongoing impacts from the COVID19 disaster, the Town has had to implement various emergency protective measures to help mitigate harm and prepare itself for the pandemic. The costs associated with this work is partially reimbursable by FEMA. Staff is working with FEMA and the Town's FEMA consultant to track costs and turn in support documentation.

The State of Florida, before dispersing FEMA funding, requires all subgrantees to execute an agreement that governs the use of funding. Such funding is meant to be used only for bona fide disaster-related expenses and reimbursements. This agreement will enable to the Town to receive these funds.

As projects are approved by the State and FEMA, the Town may be required to execute amendments to this agreement for each and every project. Therefore, staff expects to receive amendments in the near future which will need to be executed prior to the dispersement of funding. This initial agreement is meant to start the reimbursement process and has been requested by FEMA and the State DEM office. Staff recommends approval.

**Recommended Motion:** I move to adopt Resolution no. 50-08-20



**RESOLUTION NO. 50-08-20**

**A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF LAKE PARK, FLORIDA, AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN AGREEMENT WITH THE STATE OF FLORIDA, DIVISION OF EMERGENCY MANAGEMENT FOR GRANT FUNDS ASSOCIATED WITH THE COVID19 PANDEMIC DISASTER; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the Town of Lake Park, Florida (“Town”) is a municipal corporation of the State of Florida with such power and authority as has been conferred upon it by the Florida Constitution and Chapter 166, Florida Statutes; and

**WHEREAS**, the Town is empowered to enter into contractual arrangements with public agencies, private corporations or other persons; and

**WHEREAS**, as a result of the COVID19 pandemic disaster, the Town suffered damages which are eligible for federal and state grant funding; and

**WHEREAS**, the State of Florida, Division of Emergency Management (the “Division”) has the authority to sub-grant these funds to the Town; and

**WHEREAS**, the Division required the Town to execute a grant Agreement prior to the dispersement of federally funded COVID19 grant funds; and

**WHEREAS**, in order to receive the federally-funded grant funds associated with the COVID19 pandemic disaster, the Town Manager has recommended to the Town Commission of Lake Park that it is in the best interest of the Town to execute the grant agreement with the Division.

**NOW THEREFORE, BE IT RESOLVED BY THE TOWN COMMISSION OF THE TOWN OF LAKE PARK, FLORIDA, AS FOLLOWS:**

**Section 1.** The foregoing recitals are incorporated herein by reference.

**Section 2.** The Mayor is hereby authorized and directed to execute a grant agreement with the Division. A copy of the proposed agreement is attached hereto and incorporated herein as Exhibit A.

**Section 3.** This Resolution shall take effect upon execution.

**FEDERALLY-FUNDED SUBAWARD AND GRANT AGREEMENT**

2 C.F.R. §200.92 states that a "subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract."

As defined by 2 C.F.R. §200.74, "pass-through entity" means "a non-Federal entity that provides a subaward to a Sub-Recipient to carry out part of a Federal program."

As defined by 2 C.F.R. §200.93, "Sub-Recipient" means "a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program."

As defined by 2 C.F.R. §200.38, "Federal award" means "Federal financial assistance that a non-Federal entity receives directly from a Federal awarding agency or indirectly from a pass-through entity."

As defined by 2 C.F.R. §200.92, "subaward" means "an award provided by a pass-through entity to a Sub-Recipient for the Sub-Recipient to carry out part of a Federal award received by the pass-through entity."

The following agreement is made and information is provided pursuant to 2 C.F.R. §200.331(a)(1):

Sub-Recipient's name:	<u>Lake Park, Town Of</u>
Sub-Recipient's unique entity identifier:	<u>025113747</u>
Federal Award Date:	<u>March 13, 2020</u>
Subaward Period of Performance Start and End Date (Cat A-B):	<u>01/20/2020 – Attachment B</u>
Subaward Period of Performance Start and End Date (Cat C-G):	<u>01/20/2020 – Attachment B</u>
Amount of Federal Funds Obligated by this Agreement:	<u></u>
Total Amount of Federal Funds Obligated to the Sub-Recipient by the pass-through entity to include this Agreement:	<u></u>
Total Amount of the Federal Award committed to the Sub-Recipient by the pass-through entity:	<u></u>
Federal award project description (see FFATA):	<u>Grant to eligible Sub-recipient as determined by FEMA</u>
Name of Federal awarding agency:	<u>Dept. of Homeland Security (DHS) Federal Emergency Management Agency (FEMA)</u>
Name of pass-through entity:	<u>Florida Division of Emergency Management (FDEM)</u>
Contact information for the pass-through entity:	<u>2555 Shumard Oak Blvd. Tallahassee, FL 32399-2100</u>
Catalog of Federal Domestic Assistance (CFDA) Number and Name:	<u>97.036 Public Assistance</u>
Indirect cost rate for the Federal award:	<u>See by 44 C.F.R. 207.5(b)(4)</u>

THIS AGREEMENT is entered into by the State of Florida, Division of Emergency Management, with headquarters in Tallahassee, Florida (hereinafter referred to as the "Division"), and

Lake Park, Town Of (hereinafter referred to as the "Sub-Recipient").

For the purposes of this Agreement, the Division serves as the pass-through entity for a Federal award, and the Sub-Recipient serves as the recipient of a subaward.

THIS AGREEMENT IS ENTERED INTO BASED ON THE FOLLOWING REPRESENTATIONS:

A. The Sub-Recipient represents that it is fully qualified and eligible to receive these grant funds to provide the services identified herein;

B. The Sub-Recipient, by its decision to participate in this grant program, bears the ultimate responsibility for ensuring compliance with all applicable State and Federal laws, regulations and policies, and bears the ultimate consequences of any adverse decisions rendered by the Division, the Federal Awarding Agency, or any other State and Federal agencies with audit, regulatory, or enforcement authority;

C. The State of Florida received these grant funds from the Federal government, and the Division has the authority to subgrant these funds to the Sub-Recipient upon the terms and conditions outlined below;

D. The Division, as the pass-through entity and fiduciary of such Federal funding, reserves the right to demand that the Sub-Recipient comply with all applicable State and Federal laws, regulations and policies, terminate reimbursements and take any and all other actions it deems appropriate to protect those funds for which it is responsible, including debt collections; and

E. The Division has statutory authority to disburse the funds under this Agreement.

THEREFORE, the Division and the Sub-Recipient agree to the following:

**(1) APPLICATION OF STATE LAW TO THIS AGREEMENT**

2 C.F.R. §200.302 provides: "Each state must expend and account for the Federal award in accordance with state laws and procedures for expending and accounting for the state's own funds." Therefore, section 215.971, Florida Statutes, entitled "Agreements funded with federal or state assistance", applies to this Agreement.

**(2) LAWS, RULES, REGULATIONS AND POLICIES**

Performance under this Agreement is subject to 2 C.F.R. Part 200, entitled "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards." For this event, FEMA recognizes that noncompetitive procurements may be necessary to save lives, to protect property and public health, and to ensure public safety, as well as to lessen or avert the threat of a catastrophe. The President's unprecedented Nationwide Emergency Declaration and the Secretary of Health and Human Services' (HHS) declaration of a Public Health Emergency for COVID-19 establish that exigent and emergency circumstances currently exist.

a. For the duration of the Public Health Emergency, which began January 27, 2020 as determined by HHS, local governments, tribal governments, nonprofits, and other non-state entities may proceed with new and existing noncompetitively procured contracts in order to protect property and public health and safety, or to lessen or avert the threats created by emergency situations for 1) Emergency protective measures under FEMA's Public Assistance Program and 2) Use of FEMA non-disaster grant funds by non-state recipients and sub-recipients to respond to or address COVID-19. These noncompetitive contracts must comply with Federal guidance addressing exigency and emergency procurement.

b. As required by section 215.971(1), Florida Statutes, this Agreement includes:

- i. A provision specifying a scope of work that clearly establishes the tasks that the Sub-Recipient is required to perform.
- ii. A provision dividing the agreement into quantifiable units of deliverables that must be received and accepted in writing by the Division before payment. Each deliverable must be directly related to the scope of work and specify the required minimum level of service to be performed and the criteria for evaluating the successful completion of each deliverable.
- iii. A provision specifying the financial consequences that apply if the Sub-Recipient fails to perform the minimum level of service required by the agreement.
- iv. A provision specifying that the Sub-Recipient may expend funds only for allowable costs resulting from obligations incurred during the specified agreement period.
- v. A provision specifying that any balance of unobligated funds which has been advanced or paid must be refunded to the Division.
- vi. A provision specifying that any funds paid in excess of the amount to which the Sub-Recipient is entitled under the terms and conditions of the agreement must be refunded to the Division.

c. In addition to the foregoing, the Sub-Recipient and the Division shall be governed by all applicable State and Federal laws, rules and regulations, including those identified in Attachment B to this Agreement ("Program Statutes and Regulations"). Any express reference in this Agreement to a particular statute, rule, or regulation in no way implies that no other statute, rule, or regulation applies.

### **(3) CONTACT**

a. In accordance with section 215.971(2), Florida Statutes, the Division's Grant Manager shall be responsible for enforcing performance of this Agreement's terms and conditions and shall serve as the Division's liaison with the Sub-Recipient. As part of his/her duties, the Grant Manager for the Division shall:

- i. Monitor and document Sub-Recipient performance; and,

- ii. Review and document all deliverables for which the Sub-Recipient requests payment.
- b. The Division's Grant Manager for this Agreement is:

Kim Schoffel  
Title Program Supervisor  
Bureau of Recovery  
Florida Division of Emergency Management  
2555 Shumard Oak Blvd.  
Tallahassee, FL 32399-2100  
Telephone: (850) 815-4448  
Email: Kim.Schoffel@em.myflorida.com

- c. The name and address of the Representative of the Sub-Recipient responsible for the administration of this Agreement is:

Lourdes Cariseo  
535 Park Avenue  
Lake Park, FL 33403  
Telephone: (561) 881-3351  
Email: lcariseo@lakeparkflorida.gov

- d. In the event that different representatives or addresses are designated by either party after execution of this Agreement, notice of the name, title, and address of the new representative will be provided to the other party in writing via letter or electronic email. It is the Sub-Recipient's responsibility to authorize its users in the Recipient's grants management system. Only the Authorized or Primary Agents identified in Attachment D to this Agreement ("Designation of Authority") may authorize addition or removal of agency users.

**(4) TERMS AND CONDITIONS**

This Agreement contains all the terms and conditions agreed upon by the parties.

**(5) EXECUTION**

This Agreement may be executed in any number of counterparts, of which may be taken as an original.

**(6) MODIFICATION**

Either party may request modification of the provisions of this Agreement. Changes which are agreed upon shall be valid only when in writing, signed by each of the parties, and attached to the original of this Agreement.

**(7) SCOPE OF WORK**

The Sub-Recipient shall perform the work in accordance with Attachment A to this Agreement ("Budget and Scope of Work").

**(8) PERIOD OF AGREEMENT/PERIOD OF PERFORMANCE**

The Period of Agreement establishes a timeframe for all Sub-Recipient contractual obligations to be completed. This agreement will begin upon execution by both parties and shall end upon closeout of the Sub-Recipient's account for this disaster by the Federal Awarding Agency, unless terminated earlier as specified elsewhere in this Agreement. This Agreement survives and remains in effect after termination for the herein referenced State and Federal audit requirements and the referenced required records retention periods.

The Period of Performance is the timeframe during which the Sub-Recipient may incur new obligations to carry out the work authorized under this Agreement. In accordance with 2 C.F.R. §200.309, the Sub-Recipient may receive reimbursement under this Agreement only for allowable costs incurred during the period of performance. In accordance with section 215.971(1)(d), Florida Statutes, the Sub-Recipient may expend funds authorized by this Agreement only for allowable costs resulting from obligations incurred during the specified agreement period. The C.F.R. requirement is more restrictive and will take precedence over the State requirement. The period of performance for this agreement begins with the first day of the Incident Period for the disaster applicable to the agreement and **ends six (6) months from the date of declaration for Emergency Work (Categories A & B) or eighteen (18) months from the date of declaration for Permanent Work (Categories C-G)**, unless terminated earlier in accordance with the provisions of Paragraph (17) of this Agreement or extended in accordance with Attachment G Paragraph 5. If any extension request is denied by the Recipient, or is not sought by the Sub-Recipient, reimbursement is only available for eligible project costs incurred up to the latest approved extension. Failure to complete a project is adequate cause for the termination of funding for that project and requires reimbursement to the Recipient of any and all project costs.

**(9) FUNDING**

a. This is a cost-reimbursement Agreement, subject to the availability of funds. The amount of total available funding for this subgrant is limited to the amount obligated by the Federal Awarding Agency for all projects approved for this Sub-recipient for DR-4486.

b. The State of Florida's performance and obligation to pay under this Agreement is contingent upon an annual appropriation by the Legislature, and subject to any modification in accordance with either Chapter 216, Florida Statutes, or the Florida Constitution.

c. Pursuant to section 252.37, Florida Statutes, unless otherwise specified in the General Appropriations Act, whenever the State accepts financial assistance from the Federal Government or its agencies under the Federal Public Assistance Program and such financial assistance is conditioned upon

a requirement for matching funds, the State shall provide the entire match requirement for state agencies and one-half of the required match for grants to Local governments. The affected Local government shall be required to provide one-half of the required match prior to receipt of such financial assistance.

d. The Executive Office of the Governor may approve a waiver, subject to the requirement for legislative notice and review under section 216.177, Florida Statutes, of all or a portion of the required match for public assistance projects for Local governments if the Executive Office of the Governor determines that such a match requirement cannot be provided, or that doing so would impose a documented hardship on the Local government, and if the Local government applies for the waiver within the first 18 months after the disaster is declared.

e. The Division will reimburse the Sub-Recipient only for allowable costs incurred by the Sub-Recipient. The Recipient will provide funds on a cost reimbursement basis to the Sub-Recipient for eligible activities approved by the Recipient and the Federal Awarding Agency, as specified in Attachment A of this Agreement ("Budget and Scope of Work"), which also outlines the maximum reimbursement amount for each deliverable.

f. As required by 2 C.F.R. §200.415(a), any request for payment under this Agreement must include a certification, signed by an official who is authorized to legally bind the Sub-Recipient, which reads as follows: "By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812)." The Sub-Recipient must complete Attachment "D" by designating at least three agents to execute any Requests for Reimbursement, certifications, or other necessary documentation on behalf of the Sub-Recipient. Attachment D must be completed electronically and submitted via email to [rpa.help@em.myflorida.com](mailto:rpa.help@em.myflorida.com). After execution of this Agreement, the authorized, primary, and secondary Agent may request changes to contacts via email to the State assigned team.

g. In the event the Sub-Recipient contacts have not been updated regularly and all three (3) Agents have separated from the Sub-Recipient's agency, a designation of authority form will be needed to change contacts. NOTE: This is very important because if contacts are not updated, notifications made from the grants management system may not be received and could result in failure to meet time periods to appeal a Federal determination.

h. The Division will review all requests for reimbursement by comparing the documentation provided by the Sub-Recipient in the grants management system against a performance measure, outlined in Attachment A of this Agreement ("Budget and Scope of Work"), that clearly delineates:

- i. The required minimum acceptable level of service to be performed; and,
- ii. The criteria for evaluating the successful completion of each deliverable.

i. The performance measure required by section 215.971(1)(b), Florida Statutes, remains consistent with the requirement for a "performance goal", which is defined in 2 C.F.R. §200.76 as,



"a target level of performance expressed as a tangible, measurable objective, against which actual achievement can be compared." It also remains consistent with the requirement, contained in 2 C.F.R. §200.301, that the Division and the Sub-Recipient "relate financial data to performance accomplishments of the Federal award."

j. If authorized by the Federal Awarding Agency, then the Division will reimburse the Sub-Recipient for overtime expenses in accordance with 2 C.F.R. §200.430 ("Compensation—personal services") and 2 C.F.R. §200.431 ("Compensation—fringe benefits"). If authorized by the Federal Awarding Agency, and if the Sub-Recipient seeks reimbursement for overtime expenses for periods when no work is performed due to vacation, holiday, illness, failure of the employer to provide sufficient work, or other similar cause (see 29 U.S.C. §207(e)(2)), then the Division will treat the expense as a fringe benefit. 2 C.F.R. §200.431(a) defines fringe benefits as "allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages." Fringe benefits are allowable under this Agreement as long as the benefits are reasonable and are required by law, Sub-Recipient-Employee agreement, or an established policy of the Sub-Recipient in affect at the time of the disaster event. 2 C.F.R. §200.431(b) provides that the cost of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, family-related leave, sick leave, holidays, court leave, military leave, administrative leave, and other similar benefits, are allowable if all of the following criteria are met:

- i. They are provided under established written leave policies;
- ii. The costs are equitably allocated to all related activities, including Federal awards; and,
- iii. The accounting basis (cash or accrual) selected for costing each type of leave is consistently followed by the non-Federal entity or specified grouping of employees.

k. If authorized by the Federal Awarding Agency, then the Division will reimburse the Sub-Recipient for travel expenses in accordance with 2 C.F.R. §200.474. As required by the Reference Guide for State Expenditures, reimbursement for travel must be in accordance with section 112.061, Florida Statutes, which includes submission of the claim on the approved state travel voucher. If the Sub-Recipient seeks reimbursement for travel costs that exceed the amounts stated in section 112.061(6)(b), Florida Statutes (at the time of the execution of this agreement: \$6 for breakfast, \$11 for lunch, and \$19 for dinner), then the Sub-Recipient must provide documentation that:

- i. The costs are reasonable and do not exceed charges normally allowed by the Sub-Recipient in its regular operations as a result of the Sub-Recipient's written travel policy; and,
- ii. Participation of the individual in the travel is necessary to the Federal award.

l. The Division's Grant Manager, as required by section 215.971(2)(c), Florida Statutes, shall reconcile and verify all funds received against all funds expended during the grant agreement period

and produce a final reconciliation report. The final report must identify any funds paid in excess of the expenditures incurred by the Sub-Recipient.

- m. As defined by 2 C.F.R. §200.53, the term "improper payment" means or includes:
  - i. Any payment that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements; and,
  - ii. Any payment to an ineligible party, any payment for an ineligible good or service, any duplicate payment, any payment for a good or service not received (except for such payments where authorized by law), any payment that does not account for credit or applicable discounts, and any payment where insufficient or lack of documentation prevents a reviewer from discerning whether a payment was proper.

#### **(10) RECORDS**

a. As required by 2 C.F.R. §200.336, the Federal awarding agency, Inspectors General, the Comptroller General of the United States, and the Division, or any of their authorized representatives, shall enjoy the right of access to any documents, papers, or other records of the Sub-Recipient which are pertinent to the Federal award, in order to make audits, examinations, excerpts, and transcripts. The right of access also includes timely and reasonable access to the Sub-Recipient's personnel for the purpose of interview and discussion related to such documents. Finally, the right of access is not limited to the required retention period but lasts as long as the records are retained.

b. As required by 2 C.F.R. §200.331(a)(5), the Division, the Chief Inspector General of the State of Florida, the Florida Auditor General, or any of their authorized representatives, shall enjoy the right of access to any documents, financial statements, papers, or other records of the Sub-Recipient which are pertinent to this Agreement, in order to make audits, examinations, excerpts, and transcripts. The right of access also includes timely and reasonable access to the Sub-Recipient's personnel for the purpose of interview and discussion related to such documents.

c. As required by Florida Department of State's record retention requirements (Chapter 119, Florida Statutes) and by 2 C.F.R. §200.333, the Sub-Recipient shall retain sufficient records to show its compliance with the terms of this Agreement, as well as the compliance of all subcontractors or consultants paid from funds under this Agreement, for a period of five (5) years from the date of submission of the final expenditure report. The following are the only exceptions to the five (5) year requirement:

- i. If any litigation, claim, or audit is started before the expiration of the five (5)-year period, then the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.
- ii. When the Division or the Sub-Recipient is notified in writing by the Federal Awarding Agency, cognizant agency for audit, oversight agency for audit,

cognizant agency for indirect costs, or pass-through entity to extend the retention period.

- iii. Records for real property and equipment acquired with Federal funds must be retained for 5 years after final disposition.
- iv. When records are transferred to or maintained by the Federal Awarding Agency or pass-through entity, the (five) 5-year retention requirement is not applicable to the Sub-Recipient.
- v. Records for program income transactions after the period of performance. In some cases, recipients must report program income after the period of performance. Where there is such a requirement, the retention period for the records pertaining to the earning of the program income starts from the end of the non-Federal entity's fiscal year in which the program income is earned.
- vi. Indirect cost rate proposals and cost allocations plans. This paragraph applies to the following types of documents and their supporting records: indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as computer usage chargeback rates or composite fringe benefit rates).

d. In accordance with 2 C.F.R. §200.334, the Federal Awarding Agency must request transfer of certain records to its custody from the Division or the Sub-Recipient when it determines that the records possess long-term retention value.

e. In accordance with 2 C.F.R. §200.335, the Division must always provide or accept paper versions of Agreement information to and from the Sub-Recipient upon request. If paper copies are submitted, then the Division must not require more than an original and two copies. When original records are electronic and cannot be altered, there is no need to create and retain paper copies. When original records are paper, electronic versions may be substituted through the use of duplication or other forms of electronic media provided that they are subject to periodic quality control reviews, provide reasonable safeguards against alteration, and remain readable.

f. As required by 2 C.F.R. §200.303, the Sub-Recipient shall take reasonable measures to safeguard protected personal identifiable information and other information the Federal Awarding Agency or the Division designates as sensitive or the Sub-Recipient considers sensitive consistent with applicable Federal, State, Local, and Tribal laws regarding privacy and obligations of confidentiality.

g. Florida's Government in the Sunshine Law (Section 286.011, Florida Statutes) provides the citizens of Florida with a right of access to governmental proceedings and mandates three, basic requirements: (1) meetings of public boards or commissions must be open to the public; (2) reasonable notice of such meetings must be given; and, (3) minutes of the meetings must be taken and promptly recorded. The mere receipt of public funds by a private entity, standing alone, is insufficient to bring that entity within the ambit of the open government requirements. However, the Government in the

Sunshine Law applies to private entities that provide services to governmental agencies and that act on behalf of those agencies in the agencies' performance of their public duties. If a public agency delegates the performance of its public purpose to a private entity, then, to the extent that private entity is performing that public purpose, the Government in the Sunshine Law applies. For example, if a volunteer fire department provides firefighting services to a governmental entity and uses facilities and equipment purchased with public funds, then the Government in the Sunshine Law applies to board of directors for that volunteer fire department. Thus, to the extent that the Government in the Sunshine Law applies to the Sub-Recipient based upon the funds provided under this Agreement, the meetings of the Sub-Recipient's governing board or the meetings of any subcommittee making recommendations to the governing board may be subject to open government requirements. These meetings shall be publicly noticed, open to the public, and the minutes of all the meetings shall be public records, available to the public in accordance with Chapter 119, Florida Statutes.

h. Florida's Public Records Law provides a right of access to the records of the State and Local governments as well as to private entities acting on their behalf. Unless specifically exempted from disclosure by the Legislature, all materials made or received by a governmental agency (or a private entity acting on behalf of such an agency), in conjunction with official business which are used to perpetuate, communicate, or formalize knowledge, qualify as public records subject to public inspection. The mere receipt of public funds by a private entity, standing alone, is insufficient to bring that entity within the ambit of the public record requirements. However, when a public entity delegates a public function to a private entity, the records generated by the private entity's performance of that duty become public records. Thus, the nature and scope of the services provided by a private entity determine whether that entity is acting on behalf of a public agency and is therefore subject to the requirements of Florida's Public Records Law.

i. The Sub-Recipient shall maintain all records for the Sub-Recipient and for all subcontractors or consultants to be paid from funds provided under this Agreement, including documentation of all program costs, in a form sufficient to determine compliance with the requirements and objectives of Attachments A and B to this Agreement ("Budget and Scope of Work" and "Program Statutes and Regulations" respectively), and all other applicable laws and regulations.

**IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT: (850) 815-4156, [Records@em.myflorida.com](mailto:Records@em.myflorida.com), or 2555 Shumard Oak Boulevard, Tallahassee, FL 32399.**

**(11) AUDITS**

a. The Sub-Recipient shall comply with the audit requirements contained in 2 C.F.R. Part 200, Subpart F.

b. In accounting for the receipt and expenditure of funds under this Agreement, the Sub-Recipient shall follow Generally Accepted Accounting Principles ("GAAP"). As defined by 2 C.F.R. §200.49, GAAP "has the meaning specified in accounting standards issued by the Government Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB)."

c. When conducting an audit of the Sub-Recipient's performance under this Agreement, the Division shall use Generally Accepted Government Auditing Standards ("GAGAS"). As defined by 2 C.F.R. §200.50, GAGAS, "also known as the Yellow Book, means generally accepted government auditing standards issued by the Comptroller General of the United States, which are applicable to financial audits."

d. If an audit shows that all or any portion of the funds disbursed were not spent in accordance with the conditions of this Agreement, the Sub-Recipient shall be held liable for reimbursement to the Division of all funds not spent in accordance with these applicable regulations and Agreement provisions within thirty days after the Division has notified the Sub-Recipient of such non-compliance.

e. The Sub-Recipient shall have all audits completed by an independent auditor, which is defined in section 215.97(2)(i), Florida Statutes, as "an independent certified public accountant licensed under chapter 473." The independent auditor shall state that the audit complied with the applicable provisions noted above. The audit must be received by the Division no later than nine months from the end of the Sub-Recipient's fiscal year.

f. The Sub-Recipient shall send copies of reporting packages for audits conducted in accordance with 2 C.F.R. Part 200, by or on behalf of the Sub-Recipient, to the Division at the following address:

DEMSingle\_Audit@em.myflorida.com

OR

Office of the Inspector General

2555 Shumard Oak Boulevard

Tallahassee, Florida 32399-2100

g. The Sub-Recipient shall send the Single Audit reporting package and Form SF-SAC to the Federal Audit Clearinghouse by submission online at:

<http://harvester.census.gov/fac/collect/ddeindex.html>

h. The Sub-Recipient shall send any management letter issued by the auditor to the Division at the following address:

DEMSingle\_Audit@em.myflorida.com

OR

Office of the Inspector General

2555 Shumard Oak Boulevard

Tallahassee, Florida 32399-2100

**(12) REPORTS**

a. Consistent with 2 C.F.R. §200.328, the Sub-Recipient shall provide the Division with quarterly reports and any applicable close-out reports. These reports shall include the current status and progress by the Sub-Recipient and, as applicable, all subcontractors in completing the work described in the Scope of Work and the expenditure of funds under this Agreement, in addition to any other information requested by the Division.

	<b>Reporting Time Period</b>	<b>Subgrantee Report Submittal Deadline</b>
Quarter 1 (Q1)	October 1 – December 31	January 15
Quarter 2 (Q2)	January 1 – March 31	April 15
Quarter 3 (Q3)	April 1 – June 30	July 15
Quarter 4 (Q4)	July 1 – September 30	October 15

b. Quarterly reports are due to the Division no later than fifteen (15) days after the end of each quarter of the program year and shall be sent each quarter until submission of the administrative close-out report. The ending dates for each quarter of the program year are March 31, June 30, September 30 and December 31.

c. The closeout report is due sixty (60) days after termination of this Agreement or sixty (60) days after completion of the activities contained in this Agreement, whichever first occurs.

d. If all required reports and copies are not sent to the Division or are not completed in a manner acceptable to the Division, then the Division may withhold further payments until they are completed or may take other action as stated in Paragraph (16) REMEDIES. "Acceptable to the Division" means that the work product was completed in accordance with Attachment A to this Agreement ("Budget and Scope of Work").

e. The Sub-Recipient shall provide additional program updates or information that may be required by the Division.

f. The Sub-Recipient shall provide additional reports and information as required by the Federal Awarding Agency or the Division.

**(13) MONITORING**

a. The Division shall monitor the performance of the Sub-Recipient under this Agreement, as well as that of its subcontractors and/or consultants who are paid from funds provided under this Agreement, to ensure that time schedules are being met, the Schedule of Deliverables and Scope of Work are being accomplished within the specified time periods, and other performance goals are being achieved.

A review shall be done for each function or activity in Attachment A to this Agreement ("Budget and Scope of Work") and reported in the quarterly report.

b. In addition to reviews of audits, monitoring procedures may include, but not be limited to, on-site visits by Division staff, limited scope reviews, and/or other procedures. The Sub-Recipient agrees to comply and cooperate with any monitoring procedures/processes deemed appropriate by the Division. In the event that the Division determines that an audit of the Sub-Recipient is appropriate, the Sub-Recipient agrees to comply with any additional instructions provided by the Division to the Sub-Recipient regarding such audit. The Sub-Recipient further agrees to comply and cooperate with any inspections, reviews, investigations or audits deemed necessary by the Florida Chief Financial Officer or Auditor General. In addition, the Division will monitor the performance and financial management by the Sub-Recipient throughout the contract term to ensure timely completion of all tasks.

#### **(14) LIABILITY**

a. Unless Sub-Recipient is a State agency or subdivision, as defined in section 768.28(2), Florida Statutes, the Sub-Recipient is solely responsible to parties it deals with in carrying out the terms of this Agreement. As authorized by section 768.28(19), Florida Statutes, Sub-Recipient shall hold the Division harmless against all claims of whatever nature by third parties arising from the work performance under this Agreement. For purposes of this Agreement, Sub-Recipient agrees that it is not an employee or agent of the Division but is an independent contractor.

b. As required by section 768.28(19), Florida Statutes, any Sub-Recipient which is a State agency or subdivision, as defined in section 768.28(2), Florida Statutes, agrees to be fully responsible for its negligent or tortious acts or omissions which result in claims or suits against the Division and agrees to be liable for any damages proximately caused by the acts or omissions to the extent set forth in section 768.28, Florida Statutes. Nothing herein is intended to serve as a waiver of sovereign immunity by any Sub-Recipient to which sovereign immunity applies. Nothing herein shall be construed as consent by a State agency or subdivision of the State of Florida to be sued by third parties in any matter arising out of any contract.

#### **(15) DEFAULT**

If any of the following events occur ("Events of Default"), all obligations on the part of the Division to make further payment of funds shall terminate and the Division has the option to exercise any of its remedies as set forth in Paragraph (16); however, the Division may make payments or partial payments after any Events of Default without waiving the right to exercise such remedies, and without becoming liable to make any further payment if:

a. Any warranty or representation made by the Sub-Recipient in this Agreement or any previous agreement with the Division is or becomes false or misleading in any respect, or if the Sub-Recipient fails to keep or perform any of the obligations, terms or covenants in this Agreement or any

previous agreement with the Division and has not cured them in timely fashion, or is unable or unwilling to meet its obligations under this Agreement;

b. Material adverse changes occur in the financial condition of the Sub-Recipient at any time during the term of this Agreement, and the Sub-Recipient fails to cure this adverse change within thirty days from the date written notice is sent by the Division;

c. Any reports required by this Agreement have not been submitted to the Division or have been submitted with incorrect, incomplete or insufficient information; or

d. The Sub-Recipient has failed to perform and complete on time any of its obligations under this Agreement.

#### **(16) REMEDIES**

If an Event of Default occurs, then the Division shall, after thirty (30) days of providing written notice to the Sub-Recipient and upon the Sub-Recipient's failure to cure within those thirty (30) days, exercise any one or more of the following remedies, either concurrently or consecutively:

a. Terminate this Agreement, provided that the Sub-Recipient is given at least thirty (30) days prior written notice of the termination. The notice shall be effective when placed in the United States, first class mail, postage prepaid, by registered or certified mail-return receipt requested, to the address in paragraph (3) herein.

b. Begin an appropriate legal or equitable action to enforce performance of this Agreement.

c. Withhold or suspend payment of all or any part of a request for payment.

d. Require that the Sub-Recipient refund to the Division any monies used for ineligible purposes under the laws, rules and regulations governing the use of these funds.

e. Exercise any corrective or remedial actions, to include but not be limited to:

i. Request additional information from the Sub-Recipient to determine the reasons for or the extent of non-compliance or lack of performance;

ii. Issue a written warning to advise that more serious measures may be taken if the situation is not corrected;

iii. Advise the Sub-Recipient to suspend, discontinue or refrain from incurring costs for any activities in question; or

iv. Require the Sub-Recipient to reimburse the Division for the amount of costs incurred for any items determined to be ineligible;

f. Exercise any other rights or remedies which may be available under law.

Pursuing any of the above remedies will not stop the Division from pursuing any other remedies in this Agreement or provided at law or in equity. If the Division waives any right or remedy in this Agreement or fails to insist on strict performance by the Sub-Recipient, it will not affect, extend or waive any other right or remedy of the Division, or affect the later exercise of the same right or remedy by the Division for any other default by the Sub-Recipient.



**(17) TERMINATION**

a. The Division may terminate this Agreement for cause after thirty (30) days written notice. Cause can include misuse of funds, fraud, lack of compliance with applicable rules, laws and regulations, failure to perform on time, and refusal by the Sub-Recipient to permit public access to any document, paper, letter, or other material subject to disclosure under Chapter 119, Florida Statutes, as amended.

b. The Division may terminate this Agreement for convenience or when it determines, in its sole discretion, that continuing the Agreement would not produce beneficial results in line with the further expenditure of funds, by providing the Sub-Recipient with thirty (30) days prior written notice.

c. The parties may agree to terminate this Agreement for their mutual convenience through a written amendment of this Agreement. The amendment will state the effective date of the termination and the procedures for proper closeout of the Agreement.

d. In the event that this Agreement is terminated, the Sub-Recipient will not incur new obligations for the terminated portion of the Agreement after the Sub-Recipient has received the notification of termination. The Sub-Recipient will cancel as many outstanding obligations as possible. Costs incurred after receipt of the termination notice will be disallowed. The Sub-Recipient shall not be relieved of liability to the Division because of any breach of Agreement by the Sub-Recipient. The Division may, to the extent authorized by law, withhold payments to the Sub-Recipient for the purpose of set-off until the exact amount of damages due the Division from the Sub-Recipient is determined.

**(18) PROCUREMENT**

a. The Sub-Recipient shall ensure that any procurement involving funds authorized by the Agreement complies with all applicable Federal and State laws and regulations, to include 2 C.F.R. §§200.318 through 200.326 as well as Appendix II to 2 C.F.R. Part 200 (entitled "Contract Provisions for Non-Federal Entity Contracts Under Federal Awards"). For this event, FEMA recognizes that noncompetitive procurements may be necessary to save lives, to protect property and public health and to ensure public safety, as well as to lessen or avert the threat of a catastrophe." The President's unprecedented Nationwide Emergency Declaration and the Secretary of Health and Human Services' (HHS) declaration of a Public Health Emergency for COVID-19 establish that exigent and emergency circumstances currently exist. For the duration of the Public Health Emergency, which began January 27, 2020 as determined by HHS, local governments, tribal governments, nonprofits, and other non-state entities may proceed with new and existing noncompetitively procured contracts in order to protect property and public health and safety, or to lessen or avert the threats created by emergency situations for 1) Emergency protective measures under FEMA's Public Assistance Program and 2) Use of FEMA non-disaster grant funds by non-state recipients and sub-recipients to respond to or address COVID-19.

b. If the Sub-Recipient contracts with any contractor or vendor for performance of

any portion of the work required under this Agreement, the Sub-Recipient must incorporate into its contract with such contractor or vendor an indemnification clause holding the Federal Government, its employees and/or their contractors, the Division, its employees and/or their contractors, and the Sub-Recipient and its employees and/or their contractors harmless from liability to third parties for claims asserted under such contract.

c. The Sub-Recipient shall monitor and document, in the Attachment J of this Agreement ("Quarterly Report"), the contractor's progress in performing its work on its behalf under this Agreement in addition to its own progress.

d. The Sub-Recipient shall ensure all contracts conform to sections 287.057 and 288.703, Florida Statutes.

e. The Sub-Recipient may request guidance concerning procurement activity from the Division, but shall also use its own judgment to determine compliance with all applicable rules and statutes.

#### **(19) PAYMENTS**

a. Requests for Reimbursement (RFR) serve as invoices for the purposes of section 215.422, Florida Statutes and shall include the supporting documentation for all costs of the project or services in detail sufficient for a proper pre-audit and post-audit thereof. The final RFR shall be submitted within thirty (30) days after the expiration date of the agreement or completion of applicable Project, whichever occurs first.

b. Any advance payment made under this Agreement is subject to 2 C.F.R. §200.305 and, as applicable, section 216.181(16), Florida Statutes. All advances are required to be held in an interest-bearing account unless otherwise governed by a program specific waiver. If an advance payment is requested, the budget data upon which the request is based, and a justification statement shall be submitted along with this agreement at the time of execution by completing Attachment H of this Agreement ("Justification of Advance Payment"). The request will specify the amount of advance payment needed and provide an explanation of the necessity for and proposed use of these funds. Any advance funds not expended within the first ninety (90) days of the contract term must be returned to the Division Cashier within thirty (30) days, along with any interest earned on the advance. No advance shall be accepted for processing if a reimbursement has been paid prior to the submittal of a request for advanced payment. After the initial advance, if any, payment shall be made on a reimbursement basis as needed.

c. If the necessary funds are not available to fund this Agreement, as a result of action by the United States Congress, the Federal Office of Management and Budgeting, the State Chief Financial Officer or under subparagraph (9)b of this Agreement, all obligations on the part of the Division to make any further payment of funds shall terminate, and the Sub-Recipient shall submit its closeout report within thirty (30) days of receiving notice from the Division.

**(20) EXPEDITED PROJECTS**

The Division and the Federal Awarding Agency have established an Expedited Projects Program in order to help affected counties, municipalities, and private-non-profits recover from COVID-19. This program provides funding for 50% of the eligible scope of work for project versions of selected Expedited Category B projects. These amounts will be subject to the cost sharing requirements applicable for the disaster.

**a. PROGRAM REQUIREMENTS**

Each eligible Sub-Recipient can request to include Category B: Emergency Protective Measures projects in this expedited program. The work claimed must have been performed during the Public Health Emergency.

FEMA makes the final eligibility determination regarding project work and costs under the Expedited Program. In order to be eligible for this funding, these projects must be a "large" project with eligible scope of work totaling \$131,100 or more.

**b. FUNDING**

Funding will be provided at 50% of estimated costs incurred through an eligible scope of work for included projects, during the periods of performance. Any and all expedited projects will ultimately require a full validation through the grants management process for all costs incurred.

**c. PARTICIPATION NOTIFICATION**

The Sub-Recipient is responsible for notifying the State Public Assistance Officer (SPA0) of its intent to participate in the program. The Sub-Recipient notifies the SPA0 by submitting the notification of their intention to participate via email to [ExpeditedProjects@em.myflorida.com](mailto:ExpeditedProjects@em.myflorida.com) and the SPA0 will then notify FEMA. Once that email correspondence is made, the project development will be tracked through Grants Portal and all payments will be made using the workflows in FDEM's Grants Management System.

**(21) REPAYMENTS**

a. All refunds or repayments due to the Division under this agreement are due no later than thirty (30) days from notification by the Division of funds due.

b. As a condition of funding under this Agreement, the Sub-Recipient agrees that the Recipient may withhold funds otherwise payable to the Sub-Recipient from any disbursement to the Recipient, by the Federal Awarding Agency or any other source, upon a determination by the Recipient or the Federal Awarding Agency that funds exceeding the eligible costs have been disbursed to the Sub-Recipient pursuant to this Agreement or any other funding agreement administered by the Recipient. The Sub-Recipient understands and agrees that the Recipient may offset any funds due and payable to the Sub-Recipient until the debt to the State is satisfied. In such event, the Recipient will notify the Sub-Recipient via the entry of notes in its grants management system.

c. All refunds or repayments due to the Division under this Agreement are to be made payable to the order of "Division of Emergency Management", must include the invoice number and the

applicable Disaster and Project number(s) that are the subject of the invoice, and be mailed directly to the following address:

Division of Emergency Management  
Cashier  
2555 Shumard Oak Boulevard  
Tallahassee FL 32399-2100

d. In accordance with section 215.34(2), Florida Statutes, if a check or other draft is returned to the Division for collection, the Sub-Recipient shall pay the Division a service fee of \$15.00 or 5% of the face amount of the returned check or draft; whichever is greater.

**(22) MANDATED CONDITIONS**

a. The validity of this Agreement is subject to the truth and accuracy of all the information, representations, and materials submitted or provided by the Sub-Recipient in this Agreement, in any later submission or response to a Division request, or in any submission or response to fulfill the requirements of this Agreement. All of the said information, representations, and materials are incorporated by reference. The inaccuracy of the submissions or any material changes shall, at the option of the Division and with thirty (30) days written notice to the Sub-Recipient, cause the termination of this Agreement and the release of the Division from all its obligations to the Sub-Recipient.

b. This Agreement shall be construed under the laws of the State of Florida, and venue for any actions arising out of this Agreement shall be in the Circuit Court of Leon County. If any provision of this Agreement is in conflict with any applicable statute or rule, or is unenforceable, then the provision shall be null and void to the extent of the conflict, and shall be severable, but shall not invalidate any other provision of this Agreement.

c. Any power of approval or disapproval granted to the Division under the terms of this Agreement shall survive the term of this Agreement.

d. The Sub-Recipient agrees to comply with the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. Section 12101 et seq.), which prohibits discrimination by public and private entities on the basis of disability in employment, public accommodations, transportation, State and Local government services, and telecommunications.

e. Those who have been placed on the convicted vendor list following a conviction for a public entity crime or on the discriminatory vendor list may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with a public entity, and may not transact business with any public entity in excess of

\$25,000.00 for a period of 36 months from the date of being placed on the convicted vendor list or on the discriminatory vendor list.

f. Any Sub-Recipient which receives funds under this Agreement from the Federal government, certifies, to the best of its knowledge and belief, that it and its principals:

- i. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by a Federal department or agency;
- ii. Have not, within a five (5)-year period preceding this proposal, been convicted of or had a civil judgment rendered against them for fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or Local) transaction or contract under public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- iii. Are not presently indicted or otherwise criminally or civilly charged by a governmental entity (Federal, State or Local) with commission of any offenses enumerated in paragraph (22) f. ii. of this certification; and,
- iv. Have not, within a five (5)-year period preceding this Agreement, had one or more public transactions (Federal, State or Local) terminated for cause or default.

g. If the Sub-Recipient is unable to certify to any of the statements in this certification, then the Sub-Recipient shall attach an explanation to this Agreement.

h. In addition, the Sub-Recipient shall send to the Division (by email to the assigned grant manager) the completed Attachment C of this Agreement ("Certification Regarding Debarment") for the Sub-Recipient and a screenshot reflecting such self-check via the Federal System for Award Management (SAM) clearinghouse through the website [www.sam.gov](http://www.sam.gov). Sub-Recipient shall also perform this check for any and all intended contractor or subcontractor which Sub-Recipient plans to fund under this Agreement. A screenshot of the clearinghouse results for each intended contractor or subcontractor should be maintained by the Sub-Recipient and provided to the Division upon request. The check must be completed before the Sub-Recipient enters into a contract covering the scope of work outlined in the PWs with any contractor or subcontractor.

i. The Division reserves the right to unilaterally cancel this Agreement if the Sub-Recipient refuses to allow public access to all documents, papers, letters or other material subject to the provisions of Chapter 119, Florida Statutes, which the Sub-Recipient created or received under this Agreement.

j. If the Sub-Recipient is allowed to temporarily invest any advances of funds under this Agreement, any interest income shall either be returned to the Division or be applied against the Division's obligation to pay the contract amount unless otherwise governed by program specific waiver.

k. The State of Florida will not intentionally award publicly funded contracts to any contractor who knowingly employs unauthorized alien workers, constituting a violation of the employment provisions contained in 8 U.S.C. Section 1324a(e) [Section 274A(e) of the Immigration and Nationality Act ("INA")]. The Division shall consider the employment by any contractor of unauthorized aliens a violation of Section 274A(e) of the INA. Such violation by the Sub-Recipient of the employment provisions contained in Section 274A(e) of the INA shall be grounds for unilateral cancellation of this Agreement by the Division.

l. Section 287.05805, Florida Statutes, requires that any state funds provided for the purchase of or improvements to real property are contingent upon the contractor or political subdivision granting to the state a security interest in the property at least to the amount of state funds provided for at least 5 years from the date of purchase or the completion of the improvements or as further required by law. This provision is only applicable to subrecipients receiving a state cost share.

m. The Division may, at its option, terminate the Contract if the Contractor is found to have submitted a false certification as provided under section 287.135(5), F.S., or been placed on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, or been engaged in business operations in Cuba or Syria, or to have been placed on the Scrutinized Companies that Boycott Israel List or is engaged in a boycott of Israel.

### **(23) LOBBYING PROHIBITION**

a. 2 C.F.R. §200.450 prohibits reimbursement for costs associated with certain lobbying activities.

b. Section 216.347, Florida Statutes, prohibits "any disbursement of grants and aids appropriations pursuant to a contract or grant to any person or organization unless the terms of the grant or contract prohibit the expenditure of funds for the purpose of lobbying the Legislature, the judicial branch, or a state agency."

c. No funds or other resources received from the Division under this Agreement may be used directly or indirectly to influence legislation or any other official action by the Florida Legislature or any State agency.

d. The Sub-Recipient certifies, by its signature to this Agreement, that to the best of his or her knowledge and belief:

- i. No Federal appropriated funds have been paid or will be paid, by or on behalf of the Sub-Recipient, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan or cooperative agreement.

- ii. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, the Sub-Recipient shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.
- iii. The Sub-Recipient shall require that this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all Sub-Recipients shall certify and disclose accordingly.
- iv. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

**(24) COPYRIGHT, PATENT AND TRADEMARK**

**EXCEPT AS PROVIDED BELOW, ANY AND ALL PATENT RIGHTS ACCRUING UNDER OR IN CONNECTION WITH THE PERFORMANCE OF THIS AGREEMENT ARE HEREBY RESERVED TO THE STATE OF FLORIDA; AND, ANY AND ALL COPYRIGHTS ACCRUING UNDER OR IN CONNECTION WITH THE PERFORMANCE OF THIS AGREEMENT ARE HEREBY TRANSFERRED BY THE SUB-RECIPIENT TO THE STATE OF FLORIDA.**

a. If the Sub-Recipient has a pre-existing patent or copyright, the Sub-Recipient shall retain all rights and entitlements to that pre-existing patent or copyright unless the Agreement provides otherwise.

b. If any discovery or invention is developed in the course of or as a result of work or services performed under this Agreement, or in any way connected with it, the Sub-Recipient shall refer the discovery or invention to the Division for a determination whether the State of Florida will seek patent protection in its name. Any patent rights accruing under or in connection with the performance of this Agreement are reserved to the State of Florida. If any books, manuals, films, or other copyrightable material are produced, the Sub-Recipient shall notify the Division. Any copyrights accruing under or in connection with the performance under this Agreement are transferred by the Sub-Recipient to the State of Florida.

c. Within thirty (30) days of execution of this Agreement, the Sub-Recipient shall disclose all intellectual properties relating to the performance of this Agreement which he or she knows or should know could give rise to a patent or copyright. The Sub-Recipient shall retain all rights and entitlements to any pre-existing intellectual property which is disclosed. Failure to disclose will indicate that no such

property exists. The Division shall then, under Paragraph (24) b., have the right to all patents and copyrights which accrue during performance of the Agreement.

d. If the Sub-Recipient qualifies as a state university under Florida law, then, pursuant to section 1004.23, Florida Statutes, any invention conceived exclusively by the employees of the Sub-Recipient shall become the sole property of the Sub-Recipient. In the case of joint inventions, that is inventions made jointly by one or more employees of both parties hereto, each party shall have an equal, undivided interest in and to such joint inventions. The Division shall retain a perpetual, irrevocable, fully-paid, nonexclusive license, for its use and the use of its contractors of any resulting patented, copyrighted or trademarked work products, developed solely by the Sub-Recipient, under this Agreement, for Florida government purposes.

**(25) LEGAL AUTHORIZATION**

The Sub-Recipient certifies that it has the legal authority to receive the funds under this Agreement and that its governing body has authorized the execution and acceptance of this Agreement. The Sub-Recipient also certifies that the undersigned person has the authority to legally execute and bind Sub-Recipient to the terms of this Agreement.

**(26) NONDISCRIMINATION BY CONTRACTORS**

Pursuant to 44 C.F.R. §§ 7 and 16, and 44 C.F.R. § 206.11, the Sub-Recipient must undertake an active program of nondiscrimination in its administration of disaster assistance under this Agreement. The Sub-Recipient is also subject to the requirements in the General Services Administrative Consolidated List of Debarred, Suspended and Ineligible Contractors, in accordance with 44 C.F.R. § 17.

**(27) ASSURANCES**

The Sub-Recipient shall comply with any Statement of Assurances incorporated as Attachment E to this Agreement ("Statement of Assurances").

**(28) DUPLICATION OF BENEFITS PROHIBITED**

a. The Sub-Recipient understands it may not receive funding under this Agreement to pay for damage covered by insurance, nor may the Sub-Recipient receive any other duplicate benefits from any source whatsoever.

b. The Sub-Recipient agrees to reimburse the Recipient if it receives any duplicate benefits, from any source, for any damage identified on the applicable Project Worksheets, for which the Sub-Recipient has received payment from the Recipient.

c. The Sub-Recipient agrees to notify the Recipient in writing within thirty (30) days of the date it becomes aware of the possible availability of, applies for, or receives funds, regardless of the source, which could reasonably be considered as duplicate benefits.

d. In the event the Recipient determines the Sub-Recipient has received duplicate



benefits, the Sub-Recipient gives the Grantee/ Recipient the express authority to offset the amount of any such duplicate benefits by withholding them from any other funds otherwise due and payable to the Sub-Recipient, and to use such remedies as may be available administratively or at law to recover such benefits.

**(29) ATTACHMENTS**

- a. All attachments to this Agreement are incorporated as if set out fully.
- b. In the event of any inconsistencies or conflict between the language of this Agreement and the attachments, the language of the attachments shall control, but only to the extent of the conflict or inconsistency.
- c. This Agreement has the following attachments:
  - i. Exhibit 1 – Funding Sources
  - ii. Attachment A – Budget and Project List
  - iii. Attachment B – Scope of Work, Deliverables, and Financial Consequences
  - iv. Attachment C – Certification Regarding Debarment
  - v. Attachment D – Designation of Authority
  - vi. Attachment E – Statement of Assurances
  - vii. Attachment F – Election to Participate in PA Alternative Procedures (PAAP)
  - viii. Attachment G – Public Assistance Program Guidance
  - ix. Attachment H – Federal Funding Accountability and Transparency Act (FFATA) Reporting
  - x. Attachment I – Mandatory Contract Provisions
  - xi. Attachment J – DHS OIG Audit Issues and Acknowledgement
  - xii. Attachment K – Justification for Advance Payment



IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

**SUB-RECIPIENT:** \_\_\_\_\_ Lake Park, Town Of \_\_\_\_\_

By: \_\_\_\_\_  
Name: Michael O'Rourke  
Title: Mayor  
Date: \_\_\_\_\_  
FEID# 59-6000355

**STATE OF FLORIDA  
DIVISION OF EMERGENCY MANAGEMENT**

By: \_\_\_\_\_  
Jared Moskowitz, Director  
Date: \_\_\_\_\_

**EXHIBIT – 1**  
**FUNDING SOURCES**

THE FOLLOWING FEDERAL RESOURCES ARE AWARDED TO THE SUB-RECIPIENT UNDER THIS AGREEMENT:

Federal Program

Federal agency: Federal Emergency Management Agency: Public Assistance Program

Catalog of Federal Domestic Assistance: 97.036

Amount of Federal Funding: \$ \_\_\_\_\_

THE FOLLOWING COMPLIANCE REQUIREMENTS APPLY TO THE FEDERAL RESOURCES AWARDED UNDER THIS AGREEMENT:

- 2 C.F.R. Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- 44 C.F.R. Part 206
- The Robert T. Stafford Disaster Relief and Emergency Assistance Act, Public Law 93-288, as amended, 42 U.S.C. 5121 et seq., and Related Authorities
- FEMA Public Assistance Program and Policy Guide, 2018 V3.1- effective for all emergencies and major disasters declared on or after August 23, 2017.
  - Link here: <https://www.fema.gov/media-library/assets/documents/111781>

Federal Program:

1. Sub-Recipient is to use funding to perform eligible activities in accordance with the Stafford Act, FEMA Public Assistance Program and Policy Guide, 2018 V3.1 and approved Project Worksheet(s) (PW). Eligible work is classified into the following categories:
  - Emergency Work**
  - Category A: Debris Removal
  - Category B: Emergency Protective Measures
  - Permanent Work**
  - Category C: Roads and Bridges
  - Category D: Water Control Facilities
  - Category E: Public Buildings and Contents
  - Category F: Public Utilities
  - Category G: Parks, Recreational, and other Facilities
2. Sub-Recipient is subject to all administrative and financial requirements as set forth in this Agreement or will be in violation of the terms of the Agreement.

**Attachment A**  
**Budget and Project List**

**Budget:**

The Budget of this Agreement is initially determined by the amount of any Project Worksheet(s) (PW) that the Federal Emergency Management Administration (FEMA) has obligated for a Sub-Recipient at the time of execution. Subsequent PWs or revisions thereof will increase or decrease the Budget of this Agreement. The PW(s) that have been obligated at the time of execution are:

DR-4486		Sub-Recipient: Lake Park, Town Of									
PW #	Cat	Project Title	Federal Share	Fed %	State Share	State %	Local Share	Local %	Total Eligible Amount	POP Start Date	POP End Date
<b>DR-4486 Total:</b>			<b>\$0.00</b>		<b>\$0.00</b>		<b>\$0.00</b>		<b>\$0.00</b>		

## Attachment B

### SCOPE OF WORK, DELIVERABLES and FINANCIAL CONSEQUENCES

#### Scope of Work

FEMA has sole authority for determining eligibility of project activities and reasonableness of associated costs. The sub-recipient is required to complete all eligible Projects and submit appropriate supporting documentation for emergency protective measures, debris removal, repair or replacement of Disaster damaged facilities, as approved by FEMA.

When FEMA has obligated funding for a Sub-Recipient's PW, the Division notifies the Sub-Recipient with a copy of the PW (or P2 Report). A Sub-Recipient may receive more than one PW and each will contain a separate Project. Budget and Project List – Attachment A of this Agreement will be modified quarterly, as necessary, to incorporate new PWs or PW versions. **For the purpose of this Agreement, each Project will be monitored, completed and reimbursed independently of the other Projects which are made part of this Agreement.**

#### Incident End Date

As of 5/21/2020 the incident is ongoing. The parties hereby agree that the end date of the incident, as determined by FEMA at a future date, will be established as the end date for this incident. Any documents or memoranda issued by FEMA establishing the end date for this incident is hereby incorporated by reference, and the parties agree to include any such documents into this agreement without any need to execute an amendment to this agreement. The parties do not agree to change any other terms in this agreement without express written approval.

#### Deliverables

For the purposes of this agreement, each project will be a standalone deliverable but may be compensated incrementally based on the Sub-recipient's expenditures. The required performance level is satisfactory completion of the project as identified in the Scope of Work, the approved PW, and subsequent PW versions, if applicable.

#### **Large Project Deliverables**

Reimbursement requests will be submitted separately for each Large Project. Reimbursement for Large Project costs shall be based on the percentage of completion of the individual Project. Any request for reimbursement shall provide adequate, well organized and complete source documentation to support all costs related to the Project, and shall be clearly identified by the Project Number as generated by FEMA. Requests which do not conform will be returned to the Sub-Recipient prior to acceptance for payment.

Reimbursement up to 95% of the total eligible amount will be paid upon acceptance and is contingent upon:

- Timely submission of Quarterly Reports (due 15 days after end of each quarter).
- Timely submission of invoices (Requests for Reimbursement) and supported by documentation for all costs of the project or services in detail sufficient for a proper pre-audit and post-audit thereof. The final invoice shall be submitted within sixty (60) days after the expiration of the agreement or completion of the project, whichever occurs first. An explanation of any circumstances prohibiting the submittal of quarterly invoices shall be submitted to the Division Grant Manager as part of the Sub-Recipient's quarterly reporting as referenced in Paragraph 7 of this agreement. Adjustments to the invoicing schedule must be approved in advance in writing by the Division Grant Manager.
- Timely submission of Request for Final Inspection (within ninety (90) days of project completion – for each project).
- Sub-Recipient shall include a sworn Affidavit or American Institute of Architects (AIA) forms G702 and G703, as required below.
  - A. Affidavit. The Sub-Recipient is required to submit an Affidavit signed by the Sub-Recipient's project personnel with each reimbursement request attesting to the following:

the percentage of completion of the work that the reimbursement request represents, that disbursements or payments were made in accordance with all of the Agreement and regulatory conditions, and that reimbursement is due and has not been previously requested.

- B. AIA Forms G702 and G703. For construction projects where an architectural, engineering or construction management firm provides construction administration services, the Sub-Recipient shall provide a copy of the American Institute of Architects (AIA) form G702, Application and Certification for Payment, or a comparable form approved by the Division, signed by the contractor and inspection/certifying architect or engineer, and a copy of form G703, Continuation Sheet, or a comparable form approved by the Division.

Five percent (5%) of the total eligible amount (including Federal, State and Local shares) for each payment request will be retained until the final Request for Reimbursement (or backup for advance expenditure) has been verified as acceptable by the Division's Grant Manager, which must include dated certification that the Project is 100% complete. Further, all required documentation must be available in FDEM Grants Management System prior to release of the retained amount, to include permits, policies & procedures, procurement and insurance documents. At such time all required activities and documentation requirements have been verified as performed and met, the Sub-Recipient may request the total retained amount.

#### **Small Projects Deliverables**

Small projects will be paid upon obligation of the Project Worksheet and execution of the subgrant agreement. Sub-Recipient must initiate the Small Project Closeout in FDEM Grants Management System within thirty (30) days of completion of the project work, or no later than the period of performance end date. Small Project Closeout is initiated by logging into FDEM Grants Management System, selecting the Sub-Recipient's account, then selecting 'Create New Request', and selecting 'New Small Project Completion/Closeout'. Complete the form and 'Save'. The final action is to advance the form to the next queue for review.

#### **Financial Consequences:**

For any Project (PW) that the Sub-Recipient fails to complete in compliance with Federal, State and Local requirements, the Division shall withhold a portion of the funding up to the full amount.

2 CFR 200.338 and section 215.971, Florida Statutes, requires the Division, as the recipient of Federal funding, to apply financial consequences, including withholding a portion of funding up to the full amount in the event that the Sub-Recipient fails to be in compliance with Federal, State, and Local requirements, or satisfactorily perform required activities/tasks. The Division shall apply the following financial consequences in these specifically identified events:

#### **Work performed outside the Period of Performance –**

Based on 2 C.F.R. Section 200.309, a Sub-Recipient may be reimbursed for eligible costs incurred for work performed within the period of performance. Costs incurred as a result of work performed outside of the period of performance will be deemed not allowable and ineligible for reimbursement by the Division.

If the Sub-Recipient does not anticipate finishing the work within the original period of performance, it must request a time extension and support that the work cannot be timely completed due to extenuating circumstances beyond the Sub-Recipient's control (Attachment G).

Additionally, if the project is not completed within the period of performance and a time extension request was not granted, the Division will coordinate with the Federal Awarding Agency to adjust the costs obligated amount to reflect the actual allowable costs incurred during the period of performance.

**Failure to submit quarterly reports timely –** Pursuant to 2 C.F.R. Section 328, the Division is responsible for oversight of the operations of the Federal award supported activities. Section 215.971, Florida Statutes provides the Division must monitor the activities performed under Federal awards to assure compliance with applicable Federal and State requirements and gain assurances that performance expectations are

being achieved. Paragraph (12) of the subgrant agreement requires the Sub-Recipient to submit a quarterly report that identifies the progress made on the project and will at a minimum include details regarding the status of all work in progress, work that has been completed, and work that has yet to begin. All work must be performed and completed in accordance with the Scope of Work. The report will also provide a detailed breakdown that supports the expenditure of funds under this Agreement, as well as any other information requested by the Division. These reports are due to the Division no later than 15 days after the end of each quarter of the program year and shall be sent each quarter until submission of the administrative close-out report. In the event that a Sub-Recipient fails to timely submit this report, the Division will enforce the following:

- Withhold 0.1 percent of the entire eligible amount obligated every day the report is late  
OR
- Withhold \$500.00, whichever is less.

The Division retains the right to impose financial consequences for instances of non-performance or non-compliance not specifically addressed in this section.

**Attachment C**

**CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY  
and VOLUNTARY EXCLUSION**

With respect to any Sub-recipient of the State, which receives funds under this Agreement from the Federal government, to the best of its knowledge and belief, that it and its principals:

1. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
2. Have not within the five-year period preceding entering into this Agreement had one or more public transactions (Federal, State, or Local) terminated for cause or default; and
3. Have not within the five-year period preceding entering into this proposal been convicted of or had a civil judgment rendered against them for:
  - a) the commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or Local) transaction or a contract under public transaction, or
  - b) violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property.

The Sub-recipient understands and agrees that the language of this certification must be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, contracts under grants, loans, and cooperative agreements) and that all contractors and sub-contractors must certify and disclose accordingly.

The Sub-recipient further understands and agrees that this certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into.

Sub-recipient further understands that submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352. Any person who fails to file the required certification is subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

\_\_\_\_\_  
By: \_\_\_\_\_  
Signature

Michael O'Rourke / Mayor  
\_\_\_\_\_  
Name and Title

535 Park Avenue  
\_\_\_\_\_  
Street Address

Lake Park, FL 33403  
\_\_\_\_\_  
City, State, Zip

\_\_\_\_\_  
Date





## Attachment D

### DESIGNATION OF AUTHORITY

The **Designation of Authority Form** is submitted with each new disaster or emergency declaration to provide the authority for the Sub-Recipient's Primary Agent and Alternate Agent to access the FDEM Grants Management System in order to enter notes, review notes and documents, and submit the documentation necessary to work the new event. The Designation of Authority Form is originally submitted as Attachment "D" to the PA Funding Agreement for each disaster or emergency declaration. Subsequently, the Primary or Alternate contact should review the agency contacts at least quarterly. The Authorized Representative can request a change in contacts via email to the State team; a note should be entered in FDEM Grants Management System if the list is correct. Contacts should be removed as soon as they separate, retire, or are reassigned by the Agency. A new form will only be needed if all authorized representatives have separated from your agency. Note that if a new Designation form is submitted, all Agency Representatives currently listed as contacts that are not included on the updated form will be deleted from FDEM Grants Management System as the contacts listed are replaced in the system, not supplemented. All users must log in on a monthly basis to keep their accounts from becoming locked.

#### Instructions for Completion

Complete the form in its entirety, listing the name and information for all representatives who will be working in the FDEM Grant Management System. Users will be notified via email when they have been granted access. The user must log in to the FDEM Grants Management System within twelve (12) hours of being notified or their account will lock them out. Each user must log in within a sixty (60) day time period or their account will lock them out. In the event you try to log in and your account is locked, submit a ticket using the Access Request link on the home page.

The form is divided into twelve blocks; each block must be completed where appropriate.

**Block 1: "Authorized Agent"** – This should be the highest authority in your organization who is authorized to sign legal documents on behalf of your organization. (Only one Authorized Agent is allowed, and this person will have full access/authority unless otherwise requested).

**Block 2: "Primary Agent"** – This is the person designated by your organization to receive all correspondence and is our main point of contact. This contact will be responsible for answering questions, uploading documents, and submitting reports/requests in FDEM Grants Management System. The Primary Agent is usually not the Authorized Agent but should be responsible for updating all internal stakeholders on all grant activities. (Only one Primary Agent is allowed, and this contact will have full access).

**Block 3: "Alternate Agent"** – This is the person designated by your organization to be available when the Primary is not. (Only one Alternate Agent is allowed, and this contact will have full access).

**Block 4, 5, and 6: "Other"** (Finance/Point of Contact, Risk Management-Insurance, and Environmental-Historic). Providing these contacts is essential in the coordination and communication required between State and Local subject matter experts. We understand that the same agent may be identified in multiple blocks, however we ask that you enter the name and information again to ensure we are communicating with the correct individuals.

**Block 7 – 12: "Other" (Read Only Access)** – There is no limit on "Other" contacts, but we ask that this be restricted to those that are going to actually need to log in and have a role in reviewing the information. This designation is only for situational awareness purposes as individuals with the "Other Read-Only" designation cannot take any action in FDEM Grants Management System.

**DESIGNATION OF AUTHORITY (AGENTS)  
FEMA/GRANTEE PUBLIC ASSISTANCE PROGRAM  
FLORIDA DIVISION OF EMERGENCY MANAGEMENT**

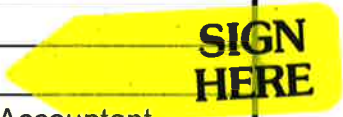
**Sub-Grantee:**

<b>Box 1: Authorized Agent (Full Access)</b>		<b>Box 2: Other-Operations/Point of Contact (Full Access)</b>	
Agent's Name	Michael O'Rourke	Agent's Name	[Redacted]
Signature		Signature	
Organization / Official Position	TOLP / Mayor	Organization / Official Position	[Redacted] Manager
Mailing Address	535 Park Avenue	Mailing Address	[Redacted]
City, State, Zip	Lake Park, FL 33403	City, State, Zip	[Redacted]
Daytime Telephone	(561) 881-3300	Daytime Telephone	[Redacted] (561) 881-3300
E-mail Address	morourke@lakeparkflorida.gov	E-mail Address	jdagostino@lakeparkflorida.gov
<b>Box 3: Alternate Agent (Full Access)</b>		<b>Box 4: Other-Finance/Point of Contact (Full Access)</b>	
Agent's Name	Lourdes Cariseo	Official's Name	Barbara Gould
Signature		Signature	
Organization / Official Position	TOLP / Finance Director	Organization / Official Position	TOLP/ Accountant
Mailing Address	535 Park Avenue	Mailing Address	535 Park Avenue
City, State, Zip	Lake Park, FL 33403	City, State, Zip	Lake Park, FL 33403
Daytime Telephone	(561) 881-3351	Daytime Telephone	(561) 881 3300
E-mail Address	lcariseo@lakeparkflorida.gov	E-mail Address	bgould@lakeparkflorida.gov
<b>Box 5: Other-Risk Mgmt-Insurance (Full Access)</b>		<b>Box 6: Other-Environmental-Historic (Full Access)</b>	
Agent's Name	Carter Hamill	Agent's Name	[Redacted]
Signature		Signature	
Organization / Official Position	DIR / Consultant	Organization / Official Position	
Mailing Address	810 Dexter Dr	Mailing Address	
City, State, Zip	Lennon, MI 48449	City, State, Zip	
Daytime Telephone	(810) 923-0464	Daytime Telephone	
E-mail Address	chamill@direcovery.com	E-mail Address	

The above Primary and Alternate Agents are hereby authorized to execute and file an Application for Public Assistance on behalf of the Sub-grantee for the purpose of obtaining certain Grantee and Federal financial assistance under the Robert T. Stafford Disaster Relief & Emergency Assistance Act, (Public Law 93-288 as amended) or otherwise available. These agents are authorized to represent and act for the Sub-Grantee in all dealings with the State of Florida, Grantee, for all matters pertaining to such disaster assistance previously signed and executed by the Grantee and Sub-grantee. Additional contacts may be placed on page 2 of this document for read only access by the above Authorized Agents.

\_\_\_\_\_  
**Sub-Grantee Authorized Agent Signature**

\_\_\_\_\_  
**Date**



**DESIGNATION OF AUTHORITY (AGENTS)  
FEMA/GRANTEE PUBLIC ASSISTANCE PROGRAM  
FLORIDA DIVISION OF EMERGENCY MANAGEMENT**

**Sub-Grantee:**

**Date:**

<b>Box 7: Other (Read Only Access)</b>	<b>Box 8: Other (Read Only Access)</b>
Agent's Name	Agent's Name
Signature	Signature
Organization / Official Position	Organization / Official Position
Mailing Address	Mailing Address
City, State, Zip	City, State, Zip
Daytime Telephone	Daytime Telephone
E-mail Address	E-mail Address
<b>Box 9: Other (Read Only Access)</b>	<b>Box 10: Other (Read Only Access)</b>
Agent's Name	Official's Name
Signature	Signature
Organization / Official Position	Organization / Official Position
Mailing Address	Mailing Address
City, State, Zip	City, State, Zip
Daytime Telephone	Daytime Telephone
E-mail Address	E-mail Address
<b>Box 11: Other (Read Only Access)</b>	<b>Box 12: Other (Read Only Access)</b>
Agent's Name	Agent's Name
Signature	Signature
Organization / Official Position	Organization / Official Position
Mailing Address	Mailing Address
City, State, Zip	City, State, Zip
Daytime Telephone	Daytime Telephone
E-mail Address	E-mail Address

Sub-Grantee's Fiscal Year (FY) Start:	<b>Month: 10</b>	<b>Day: 01</b>	
Sub-Grantee's Federal Employer's Identification Number (EIN)	<b>59 - 6000355</b>		
Sub-Grantee's Grantee Cognizant Agency for Single Audit Purposes:	Florida Division of Emergency Management		
Sub-Grantee's: FIPS Number (If Known)	<b>099- 38600 - 00</b>		

**NOTE:** This form should be reviewed and necessary updates should be made each quarter to maintain efficient communication and continuity throughout staff turnover. Updates may be made by email to the state team assigned to your account. A new form will only be needed if all authorized representatives have separated from your agency. Be aware that submitting a new Designation of Authority affects the contacts that have been listed on previous Designation forms in that the information in FloridaPA.org will be updated and the contacts listed above will replace, not supplement, the contacts on the previous list.

## Attachment E

### STATEMENT OF ASSURANCES

- 1) The Sub-Recipient hereby certifies compliance with all Federal statutes, regulations, policies, guidelines, and requirements, including but not limited to OMB Circulars No. A-21, A-87, A-110, A-122, and A-128; E.O. 12372; and Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. Part 200; that govern the application, acceptance and use of Federal funds for this Federally-assisted project.
- 2) Additionally, to the extent the following provisions apply to this Agreement, the Sub-Recipient assures and certifies that:
  - a. It possesses legal authority to apply for the grant, and to finance and construct the proposed facilities; that a resolution, motion, or similar action has been duly adopted or passed as an official act of the Sub-Recipient's governing body, authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the Sub-Recipient to act in connection with the application and to provide such additional information as may be required.
  - b. To the best of its knowledge and belief the disaster relief work described on each Federal Emergency Management Agency (FEMA) Project Application for which Federal Financial assistance is requested is eligible in accordance with the criteria contained in 44 C.F.R. § 206, and applicable FEMA policy documents.
  - c. The emergency or disaster relief work therein described for which Federal Assistance is requested hereunder does not, or will not, duplicate benefits available for the same loss from another source.
- 3) The Sub-Recipient further assures it will:
  - a. Have sufficient funds available to meet the non-Federal share of the cost for construction projects. Sufficient funds will be available when construction is completed to assure effective operation and maintenance of the facility for the purpose constructed, and if not, it will request a waiver from the Governor to cover the cost.
  - b. Refrain from entering into a construction contract(s) for the project or undertake other activities until the conditions of the grant program(s) have been met, all contracts meet Federal, State, and Local regulations.
  - c. Provide and maintain competent and adequate architectural engineering supervision and inspection at the construction site to ensure that the completed work conforms to the approved plans and specifications, and will furnish progress reports and such other information as the Federal grantor agency may need.
  - d. Cause work on the project to be commenced within a reasonable time after receipt of notification from the approving Federal agency that funds have been approved and will see that work on the project will be done to completion with reasonable diligence.
  - e. Not dispose of or encumber its title or other interests in the site and facilities during the period of Federal interest or while the Government holds bonds, whichever is longer.
  - f. Provide without cost to the United States and the Grantee/Recipient all lands, easements and rights-of-way necessary for accomplishment of the approved work and will also hold and save the United States and the Grantee/Recipient free from damages due to the approved work or Federal funding.
  - g. Establish safeguards to prohibit employees from using their positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.

- h. Assist the Federal grantor agency in its compliance with Section 106 of the National Historic Preservation Act of 1966 as amended, Executive Order 11593, and the Archeological and Historical Preservation Act of 1966 by:
  - i. Consulting with the State Historic Preservation Officer on the conduct of investigations, as necessary, to identify properties listed in or eligible for inclusion in the National Register of Historic Places that are subject to adverse effects (see 36 C.F.R. Part 800.8) by the activity, and notifying the Federal grantor agency of the existence of any such properties; and,
  - ii. By complying with all requirements established by the Federal grantor agency to avoid or mitigate adverse effects upon such properties.
- i. Give the sponsoring agency or the Comptroller General, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the grant.
- j. With respect to demolition activities:
  - i. Create and make available documentation sufficient to demonstrate that the Sub-Recipient and its demolition contractor have sufficient manpower and equipment to comply with the obligations as outlined in this Agreement;
  - ii. Return the property to its natural state as though no improvements had been contained thereon;
  - iii. Furnish documentation of all qualified personnel, licenses, and all equipment necessary to inspect buildings located in Sub-Recipient's jurisdiction to detect the presence of asbestos and lead in accordance with requirements of the U.S. Environmental Protection Agency, the Florida Department of Environmental Protection, and the appropriate County Health Department;
  - iv. Provide documentation of the inspection results for each structure to indicate safety hazards present, health hazards present, and/or hazardous materials present;
  - v. Provide supervision over contractors or employees employed by the Sub-Recipient to remove asbestos and lead from demolished or otherwise applicable structures;
  - vi. Leave the demolished site clean, level, and free of debris;
  - vii. Notify the Grantee/Recipient promptly of any unusual existing condition which hampers the contractors work;
  - viii. Obtain all required permits;
  - ix. Provide addresses and marked maps for each site where water wells and septic tanks are to be closed, along with the number of wells and septic tanks located on each site, and provide documentation of such closures;
  - x. Comply with mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act;
  - xi. Comply with all applicable standards, orders, or requirements issued under Section 112 and 306 of the Clean Air Act, Section 508 of the Clean Water Act, Executive Order 11738, and the U.S. Environmental Protection Agency regulations. (This clause must be added to any subcontracts); and,
  - xii. Provide documentation of public notices for demolition activities.
- k. Require facilities to be designed to comply with the "American Standard Specifications for Making Buildings and Facilities Accessible to, and Usable by the Physically Handicapped," Number A117.1-1961, as modified. The Sub-Recipient will be

responsible for conducting inspections to ensure compliance with these specifications by the contractor.

- l. Provide an Equal Employment Opportunity Program, if required to maintain one, where the application is for \$500,000<sup>00</sup> or more.
  - m. Return overpaid funds within the forty-five (45) day requirement, and if unable to pay within the required time period, begin working with the Grantee/Recipient in good faith to agree upon a repayment date.
  - n. In the event a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing on the Grounds of race, color, religion, national origin, sex, or disability against a recipient of funds, forward a copy of the finding to the Office for Civil Rights, Office of Justice Programs.
- 4) The Sub-Recipient agrees it will comply with the:
- a. Requirements of all provisions of the Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 which provides for fair and equitable treatment of persons displaced as a result of Federal and Federally assisted programs.
  - b. Provisions of Federal law found at 5 U.S.C. § 1501, et. seq. which limit certain political activities of employees of a State or Local unit of government whose principal employment is in connection with an activity financed in whole or in part by Federal grants.
  - c. Provisions of 18 U.S.C. §§ 594, 598, and 600-605 relating to elections, relief appropriations, and employment, contributions, and solicitations.
  - d. Minimum wage and maximum hour's provisions of the Federal Fair Labor Standards Act.
  - e. Contract Work Hours and Safety Standards Act of 1962, requiring that mechanics and laborers (including watchmen and guards) employed on Federally assisted contracts be paid wages of not less than one and one-half times their basic wage rates for all hours worked in excess of forty hours in a work week.
  - f. Federal Fair Labor Standards Act, requiring that covered employees be paid at least the minimum prescribed wage, and also that they be paid one and one-half times their basic wage rates for all hours worked in excess of the prescribed workweek.
  - g. Anti-Kickback Act of 1986, which outlaws and prescribes penalties for "kick-backs" of wages in Federally financed or assisted construction activities.
  - h. Requirements imposed by the Federal sponsoring agency concerning special requirements of law, program requirements, and other administrative requirements. It further agrees to ensure that the facilities under its ownership, lease or supervision which are utilized in the accomplishment of the project are not listed on the Environmental Protection Agency's (EPA) list of Violating Facilities and that it will notify the Federal grantor agency of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by the EPA.
  - i. Flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973, which requires that on and after March 2, 1975, the purchase of flood insurance in communities where such insurance is available, as a condition for the receipt of any Federal financial assistance for construction or acquisition purposes for use in any area that has been identified by the Secretary of the Department of Housing and Urban Development as an area having special flood hazards. The phrase "Federal financial assistance" includes any form of loan, grant, guaranty, insurance payment, rebate, subsidy, disaster assistance loan or grant, or any other form of direct or indirect Federal assistance.

- j. Insurance requirements of Section 314, PL 93-288, to obtain and maintain any other insurance as may be reasonable, adequate, and necessary to protect against further loss to any property which was replaced, restored, repaired, or constructed with this assistance. Note that FEMA provides a mechanism to modify this insurance requirement by filing a request for an insurance commissioner certification (ICC). The State's insurance commissioner cannot waive Federal insurance requirements but may certify the types and extent of insurance reasonable to protect against future loss to an insurable facility.
- k. Applicable provisions of Title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, the Juvenile Justice and Delinquency Prevention Act, or the Victims of Crime Act, as appropriate; the provisions of the current edition of the Office of Justice Programs Financial and Administrative Guide for Grants, M7100.1; and all other applicable Federal laws, orders, circulars, or regulations, and assure the compliance of all its Sub-Recipients and contractors.
- l. Provisions of 28 C.F.R. applicable to grants and cooperative agreements including Part 18, Administrative Review Procedure; Part 20, Criminal Justice Information Systems; Part 22, Confidentiality of Identifiable Research and Statistical Information; Part 23, Criminal Intelligence Systems Operating Policies; Part 30, Intergovernmental Review of Department of Justice Programs and Activities; Part 42, Nondiscrimination/Equal Employment Opportunity Policies and Procedures; Part 61, Procedures for Implementing the National Environmental Policy Act; Part 63, Floodplain Management and Wetland Protection Procedures; and Federal laws or regulations applicable to Federal Assistance Programs.
- m. Lead-Based Paint Poison Prevention Act which prohibits the use of lead-based paint in construction of rehabilitation or residential structures.
- n. Energy Policy and Conservation Act and the provisions of the State Energy Conservation Plan adopted pursuant thereto.
- o. Non-discrimination requirements of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, or Victims of Crime Act (as appropriate); Section 504 of the Rehabilitation Act of 1973, as amended; Subtitle A, Title II of the Americans with Disabilities Act (ADA) (1990); Title IX of the Education Amendments of 1972; the Age Discrimination Act of 1975; Department of Justice Non-Discrimination Regulations; and Department of Justice regulations on disability discrimination, and assure the compliance of all its Sub-Recipients and contractors.
- p. Provisions of Section 311, P.L. 93-288, and with the Civil Rights Act of 1964 (P.L. 83-352) which, in Title VI of the Act, provides that no person in the United States of America, Grantees/Recipients shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Sub-Recipient receives Federal financial assistance and will immediately take any measures necessary to effectuate this agreement. If any real property or structure is provided or improved with the aid of Federal financial assistance extended to the Sub-Recipient, this assurance shall obligate the Sub-Recipient or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits.
- q. Provisions of Title IX of the Education Amendments of 1972, as amended which prohibits discrimination on the basis of gender.
- r. Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970, relating to nondiscrimination on the basis of alcohol abuse or alcoholism.
- s. Provisions of 523 and 527 of the Public Health Service Act of 1912 as amended, relating to confidentiality of alcohol and drug abuse patient records.

- t. Provisions of all appropriate environmental laws, including but not limited to:
  - i. The Clean Air Act of 1955, as amended;
  - ii. The Clean Water Act of 1977, as amended;
  - iii. The Endangered Species Act of 1973;
  - iv. The Intergovernmental Personnel Act of 1970;
  - v. Environmental standards which may be prescribed pursuant to the National Environmental Policy Act of 1969;
  - vi. The Wild and Scenic Rivers Act of 1968, related to protecting components or potential components of the national wild and scenic rivers system;
  - vii. The Fish and Wildlife Coordination Act of 1958;
  - viii. Environmental standards which may be prescribed pursuant to the Safe Drinking Water Act of 1974, regarding the protection of underground water sources;
  - ix. The provisions of the Coastal Barrier Resources Act (P.L. 97-348) dated October 19, 1982 which prohibits the expenditure of newest Federal funds within the units of the Coastal Barrier Resources System.
- u. The provisions of all Executive Orders including but not limited to:
  - i. Executive Order 11246 as amended by Executive Orders 11375 and 12086, and the regulations issued pursuant thereto, which provide that no person shall be discriminated against on the basis of race, color, religion, sex or national origin in all phases of employment during the performance of Federal or Federally assisted construction contracts; affirmative action to insure fair treatment in employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff/termination, rates of pay or other forms of compensation; and election for training and apprenticeship.
  - ii. EO 11514 (NEPA).
  - iii. EO 11738 (violating facilities).
  - iv. EO 11988 (Floodplain Management).
  - v. EO 11990 (Wetlands).
  - vi. EO 12898 (Environmental Justice).

For Grantees/Recipients other than individuals, the provisions of the DRUG-FREE WORKPLACE as required by the Drug-Free Workplace Act of 1988. This assurance is given in consideration of and for the purpose of obtaining Federal grants, loans, reimbursements, advances, contracts, property, discounts and/or other Federal financial assistance extended to the Sub-Recipient by FEMA. The Sub-Recipient understands that such Federal Financial assistance will be extended in reliance on the representations and agreements made in this Assurance and that both the United States and the Grantee/Recipient have the joint and several right to seek judicial enforcement of this assurance. This assurance is binding on the Sub-Recipient, its successors, transferees, and assignees.

**FOR THE SUBGRANTEE/SUB-RECIPIENT:**

\_\_\_\_\_  
Signature

**Michael O'Rourke / Mayor**

\_\_\_\_\_  
Printed Name and Title

\_\_\_\_\_  
Date





# Public Assistance Alternative Procedures for Permanent Work Pilot (Version 4) FEMA Recovery Policy FP 104-009-7

---

## BACKGROUND

Section 428 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, (Stafford Act)<sup>1</sup> authorizes FEMA to award Public Assistance (PA) funding based on fixed estimates. This version 4 of the *Public Assistance Alternative Procedures for Permanent Work Pilot* (Pilot) policy supersedes version 3 and the Alternative Procedures Project language in Chapter 2.VII.G of the *Public Assistance Program and Policy Guide*<sup>2</sup> (PAPPG). All other portions of the PAPPG apply except where specifically stated otherwise.

## PURPOSE

The purpose of this policy is to define the framework and requirements to ensure appropriate and consistent implementation.

## PRINCIPLES

- A. Increase flexibility in the administration of such assistance by allowing Applicants to use funds in a manner that best meets their specific needs for recovery, long-term resiliency, and future preparedness.
- B. Simplify the delivery of assistance and reduce administrative costs associated with PA projects.

## REQUIREMENTS

### A. FIXED-COST OFFER ACCEPTANCE

**Outcome:** Enable Applicants to drive their own recovery.

1. FEMA and the Recipient will work with the Applicant to formulate disaster-related damage into projects and reach agreement on the eligible scopes of work (SOW) for all Permanent Work projects. Once agreement is reached on the disaster-related damage and eligible SOW, FEMA or the Applicant will develop a cost estimate in accordance with Section G, *Cost Estimates*.
2. After the cost estimate is developed by FEMA or developed by the Applicant and validated by FEMA as being reasonable and eligible based on the work required to address the disaster-related damage, FEMA will transmit a fixed-cost offer via its Grants Manager/Portal to the Applicant for acceptance.

---

<sup>1</sup> Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. § 5121, *et seq.*, as amended.

<sup>2</sup> [www.fema.gov/media-library/assets/documents/111781](http://www.fema.gov/media-library/assets/documents/111781)

3. The total fixed-cost amount is established based on the aggregate of:
  - a. The estimated cost to restore disaster damaged facilities to pre-disaster design (size and capacity) and function in accordance with eligible codes and standards; and
  - b. The estimated cost for cost-effective hazard mitigation measures associated with the actual restoration SOW to be implemented.
4. If the Applicant accepts the fixed-cost offer for a Large Project, it is considered a Pilot Project and the Applicant will:
  - a. Not be required to rebuild the facilities back to what existed prior to the disaster.
  - b. Be allowed to share funds across all of its Pilot Projects.
  - c. Not be required to track costs to specific work items.
  - d. Not be required to track costs or work to specific Pilot Projects since funds can be shared across all of its Pilot Projects.
  - e. Be allowed to retain and use excess funds to reduce risk and improve future disaster operations (subject to timely closeout).
  - f. Be eligible for cost-effective hazard mitigation on replacement projects.

## **B. DEADLINES**

**Outcome:** Increase speed of recovery through timely agreement on fixed-cost offers.

1. Applicants have no more than 18 months from the disaster declaration date to:
  - a. Determine the actual SOW and hazard mitigation measures to be implemented; and
  - b. Accept a fixed-cost offer for each project (also subject to 30-day deadline from receipt, see B.2).
2. Each time FEMA transmits a fixed-cost offer, the Recipient and Applicant will have a combined total of 30 calendar days from the date of FEMA's transmittal of the fixed-cost offer to accept the offer (not to exceed the 18-month deadline). Any projects without accepted fixed-cost offers by the 30-day and 18-month deadlines will be processed using standard PA policies and procedures and funded in accordance with Title 44 Code of Federal Regulations §206.205.
3. Time extensions to accept fixed-cost offers must be approved by FEMA's Assistant Administrator for Recovery.

## **C. HAZARD MITIGATION**

**Outcome:** Promote resiliency through inclusion of hazard mitigation.

1. When the Applicant is restoring a facility to pre-disaster function, size, capacity, and location, FEMA evaluates the proposed hazard mitigation SOW and cost-effectiveness based on the criteria in Chapter 2.VII.C of the PAPPG.
2. When the Applicant is restoring the function, but changing the pre-disaster capacity of a facility (Improved Project), the proposed hazard mitigation SOW is developed based on the actual SOW to be implemented; however, the cost-effectiveness is evaluated based on the fixed-cost amount accepted for the pre-disaster restoration SOW. If the capacity is

increased, the proposed hazard mitigation SOW and cost is limited to the SOW and cost necessary to mitigate to the pre-disaster capacity of the damaged facility.

3. Applicants must complete the approved hazard mitigation in order to retain the fixed-cost amount accepted for hazard mitigation.

#### D. USE OF FUNDS

**Outcome:** Increase effectiveness of assistance through increased flexibility and expanded use of funds.

1. Applicants may use fixed-cost funds, including any excess funds across all Pilot Projects.
2. Applicants may request to use fixed-cost funds for any of the activities defined as eligible under the *Use of Fixed-Cost Funds* column in the table below. Once FEMA approves and the Applicant completes the SOW associated with these activities, the Applicant may use any excess funds for the expanded list of eligible activities listed under the *Use of Excess Funds* column.
3. Any excess funds remaining after the approved SOW is complete may be used for cost-effective activities that reduce the risk of future damage, hardship, or suffering from a major disaster, and activities that improve future PA operations or planning. The Applicant must submit a proposed SOW for use of any excess funds, along with a project timeline to the Recipient within 90 days of the date the last Alternative Procedures Project was completed. The Recipient must forward the request to FEMA within 180 days of date the last Alternative Procedures Project was completed. FEMA will evaluate the proposed use of excess funds for reasonableness to ensure prudent use of funds. FEMA will also evaluate the submitted project timeline and approve an appropriate deadline for project completion, not to exceed the overall disaster period of performance.
4. The following table lists examples of eligible and ineligible types of work and costs when using fixed-cost funds and excess funds.

<b>Type of Work or Cost (all work or costs listed must otherwise be eligible for PA)</b>	<b>Use of Fixed-Cost Funds</b>	<b>Use of Excess Funds</b>
Restoration of disaster-damaged facilities and equipment	Eligible	Eligible
Restoration of disaster-damaged facilities in undeclared areas within the same State or Tribal area	Ineligible	Eligible
Alternate Projects (e.g., purchasing equipment, constructing new facilities, improvements to undamaged facilities such as shelters and emergency operation centers) in declared areas	Eligible	Eligible
Cost-effective hazard mitigation measures for undamaged facilities	Ineligible	Eligible
Covering future insurance premiums, including meeting obtain and maintain (O&M) insurance requirements, on damaged or undamaged facilities	Ineligible	Eligible

Work on facilities that are ineligible due to a failure to meet previous O&M requirements	Ineligible	Ineligible
Conducting or participating in training for response or recovery activities, including Federal grants management or procurement courses	Ineligible	Eligible
Planning for future disaster response and recovery operations, such as developing or updating plans (e.g., Debris Management Plans, Hazard Mitigation Plans, Pre-disaster Recovery Plans, Emergency Management/Operation Plans), integrating these plans into other plans, preparedness activities, exercises, and outreach	Ineligible	Eligible
Salaries for PA or emergency management staff. This may include but is not limited to staff performing PA grant administration, monitoring, and closeout activities for other PA disaster grants, and staff developing or updating disaster plans	Ineligible	Eligible
Paying down debts	Ineligible	Ineligible
Covering operating expenses	Ineligible	Ineligible
Covering budget shortfalls	Ineligible	Ineligible
Covering the non-Federal cost share of FEMA projects or other Federal awards	Ineligible	Ineligible

## E. SCOPE OF WORK CHANGES

**Outcome:** Reduce administrative burden by simplifying requirements for changes to a SOW.

1. Once the SOW is approved and a fixed-cost offer is accepted:
  - a. The Applicant must notify FEMA prior to making SOW changes that involve:
    - i. Buildings or structures that are 45 years of age or older;
    - ii. Ground disturbing activities; or
    - iii. Work in or near waterways.
  - b. With exception of buildings or structures that are 45 years of age or older, the Applicant does not need to notify FEMA when it intends to make changes that substantially conform to the approved SOW. Changes that substantially conform include items, such as:
    - i. Substitutions in material type (e.g., pre-cast concrete vs. steel beam, stainless steel vs. galvanized fasteners); or
    - ii. Interior floor plan reconfigurations (e.g., adding, moving, or removing rooms/features).
  - c. If the Applicant wishes to change the SOW to the extent that it changes the hazard mitigation, such changes must be approved within the 18-month deadline and the fixed-cost offer amount will be adjusted to reflect the revised hazard mitigation SOW.

## **F. ENVIRONMENTAL AND HISTORIC PRESERVATION**

**Outcome:** Ensure all projects are compliant with environmental and historic preservation (EHP) laws, regulations, and executive orders.

1. FEMA will conduct EHP compliance reviews on the actual SOW to be implemented. EHP review needs to occur prior to FEMA approval and prior to the Applicant starting any work that has potential to impact the environment, historic properties, or archaeological resources. This includes, but is not limited to, demolition, site preparation, and ground disturbing activities.
2. The Applicant must comply with all applicable EHP laws, regulations, and Executive Orders in accordance with the FEMA Directive 108-1, *Environmental Planning and Historic Preservation Responsibilities and Program Requirements*, and accompanying Instruction. Non-compliance with EHP conditions and requirements may result in the deobligation of funds.

## **G. COST ESTIMATES**

**Outcome:** Develop fixed-costs based on accurate cost estimates.

1. FEMA or the Applicant may develop cost estimates as follows:
  - a. FEMA will prepare its estimates using the Cost Estimating Format (CEF) and will include the CEF contingency factor "Applicant Reserve for Change Orders."
  - b. Applicant-submitted estimates must comply with Chapter 3.II.D of the PAPPG. FEMA will evaluate Applicant-submitted estimates using the *Public Assistance: Reasonable Cost Evaluation Job Aid*. This Job Aid includes a checklist in Appendix A: *Validation of Applicant-Provided Cost Estimates*, which FEMA will use to review and validate cost estimates.
  - c. The estimate must be based on the current phase of design or construction inclusive of any known costs.
  - d. If eligible work has been completed at the time the cost estimate is developed that portion of the fixed amount will be based on the actual cost.
  - e. The cost estimate must include a reduction to account for any anticipated insurance proceeds based on the Applicant's insurance policy, or if known, the actual insurance proceeds.
2. A FEMA-funded, independent panel of cost estimating experts may review project estimates. The review will be limited to issues pertaining to the estimated cost and the panel will not make decisions related to the eligibility of work. However, it may make determinations about whether cost elements are required to execute the SOW. The panel may review cost documentation for completed work, if necessary.
  - a. FEMA may request the independent panel review for any cost estimate.
  - b. Applicants may request the panel review the estimate for any project with an estimated Federal share of at least \$5 million.
  - c. All project estimates with an estimated Federal share of \$25 million or greater will be reviewed by the independent panel.

- d. The panel will complete its review before FEMA transmits the fixed-cost offer.

## **H. INSURANCE**

**Outcome:** Ensure FEMA assistance does not duplicate insurance proceeds.

1. Fixed-cost amounts will be reduced to avoid duplication with insurance proceeds in accordance with Chapter 2.V.P.1 of the PAPPG. This includes any necessary adjustments at closeout.
2. All insurable facilities for which funds are used (including excess funds) are subject to O&M requirements in accordance with Chapter 2.VII.A of the PAPPG. If the Applicant does not comply with the O&M requirement, FEMA will deobligate the fixed amounts related to the non-compliance and the facilities for which the Applicant failed to comply will not be eligible for future PA funding.

## **I. CLOSEOUT REQUIREMENTS**

**Outcome:** Reduce the administrative costs associated with closeout by simplifying closeout documentation requirements and incentivize timely closeout.

1. Work must be completed by the end of the latest Pilot Project period of performance and the Recipient must certify that all incurred costs are associated with the approved SOW and that the Applicant completed all work in accordance with FEMA regulations and policies. The Recipient must submit its certification to FEMA within 180 days of the Applicant completing its last Pilot Project or the latest Pilot Project deadline, whichever occurs first, in order for the Applicant to retain and use any excess funds.
2. The closeout certification must include a final report of Pilot Project costs and documentation to support the following:
  - a. Summary of actual work completed;
  - b. Mitigation measures achieved, if applicable;
  - c. Compliance with EHP requirements;
  - d. Compliance with the O&M insurance requirement;
  - e. Summary of total actual costs to complete the Pilot Projects;
  - f. Compliance with Federal procurement procedures; and
  - g. Actual insurance proceeds received.
3. Applicants do not need to track costs to specific work items. Applicants only need to substantiate and certify that all claimed costs are related to the overall work deemed eligible for the Pilot Projects.
4. Applicants must comply with the requirements of 2 CFR Part 200, including document retention.

## **J. APPEALS**

FEMA will not consider appeals on a Pilot Project unless it is related to a cost adjustment made by FEMA after the fixed-cost offer is accepted (i.e., related to insurance, non-compliance, or an audit). Any disagreement on damage, SOW, or cost must be resolved

prior to accepting a fixed-cost offer. Additionally, time extension denials on a Pilot Project are not appealable.

**K. AUDITS**

The U.S. Department of Homeland Security's Office of Inspector General and the U.S. Government Accountability Office have authority to audit any project. Once the Applicant signs the fixed-cost offer, FEMA may still adjust funding due to audit findings.

**L. PILOT POLICY VERSUS STANDARD PA POLICY**

The following table summarizes the differences between the Alternative Procedures Pilot policy and the standard PA policy:

<b>Alternative Procedures Policy</b>	<b>Standard Policy</b>
Fixed-cost project with use of excess funds.	Actual cost project. No retention of excess funds associated with the approved estimate.
May use funds across all Pilot projects.	Can only use funds toward the specific work identified in each specific project.
After FEMA approves a SOW, approval is only required for changes that involve buildings or structures aged 45 years or older, ground disturbing activities, or work in or near water.	After FEMA approves a SOW, approval is required for any change to the SOW.
Do not need to track costs associated with changes to the SOW.	Must track costs associated with all changes to the SOW.
Do not need to track costs to specific work items. Only need to track the total costs associated with the Pilot Projects.	Must track costs specific to each work item within each individual project.
Do not need to track work to specific Pilot Projects. Only need to substantiate that the work is related to the approved SOW covered in the Pilot Projects.	Must track all work to each individual project.

\_\_\_\_\_  
 Keith Turi  
 Assistant Administrator, Recovery Directorate

\_\_\_\_\_  
 August 29, 2019  
 Date

## **ADDITIONAL INFORMATION**

### **REVIEW CYCLE**

This policy will be reviewed, reissued, revised or rescinded by the Assistant Administrator of Recovery within 4 years of the date of signature on this policy.

### **AUTHORITIES**

Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. § 5121, *et seq.*, as amended.

### **QUESTIONS**

Direct questions to Tod Wells, Acting Director, Public Assistance Division, at [Tod.Wells@fema.dhs.gov](mailto:Tod.Wells@fema.dhs.gov).



## Attachment G

### PUBLIC ASSISTANCE PROGRAM GUIDANCE

#### **1. GRANTEE'S/RECIPIENT'S WEB-BASED PROJECT MANAGEMENT SYSTEM**

Sub-Recipients must use the Grantee's/Recipient's web-based project management system, to access and exchange project information with the State throughout the project's life. This includes processing advances, reimbursement requests, quarterly reports, final inspection schedules, change requests, time extensions, and other services as identified in the Agreement. Training on this system will be supplied by the Recipient upon request by the Sub-Recipient. The Sub-Recipient is required to have working knowledge of the FDEM Grants Management System.

#### **2. PROJECT DOCUMENTATION**

The Sub-Recipient must maintain all source documentation supporting the project costs. To facilitate closeout and audits, the Applicant should **file all documentation pertaining to each project with the corresponding PW as the permanent record of the project**. In order to validate Large Project Requests for Reimbursement (RFRs), all supporting documents should be uploaded to the FDEM Grants Management System website. Contact the grant manager with questions about how and where to upload documents, and for assistance linking common documents that apply to more than one (1) PW.

The Sub-Recipient must retain sufficient records to show its compliance with the terms of this Agreement, including documentation of all program costs, in a form sufficient to determine compliance with the requirements and objectives under this Agreement and all other applicable laws and regulations, for a period of five (5) years from the date of the Sub-Recipient account closeout by FEMA.

The five (5) year period is extended if any litigation, claim or audit is started before the five (5) year period expires, and extends beyond the five (5) year period. The records must then be retained until all litigation, claims, or audit findings involving the records have been resolved.

Records for the disposition of non-expendable personal property valued at \$5,000<sup>00</sup> or more at the time it is acquired must be retained for five (5) years after final account closeout.

Records relating to the acquisition of real property must be retained for five (5) years after final account closeout.

#### **3. PROJECT AMENDMENTS**

Project Amendments may be requested by the Sub-Grantee/Sub-Recipient, in FDEM Grants Management System, on both small and large projects, to:

- 1) New Time Extension;
  - a) Requests for Time Extensions within the Grantee/Sub-Recipient's authority
  - b) Requests for Time Extensions not within the Grantee/Sub-Recipient's authority
- 2) New Project Amendment;
  - a) Requests for Alternate Projects; and/or
  - b) Requests for Improved Projects; and/or
  - c) Requests for Mitigation Opportunities; and/or
  - d) Requests for Revised Scope of Work; and/or
  - e) Significant Cost Variance (>20%); and/or
  - f) Use of Eligible Excess Funds
- 3) New Project Appeal

- a) Applicant Appeal
  - i) Request First Appeal; and/or
  - ii) Request Second Appeal; and/or
  - iii) Request Appeal via Arbitration
- b) Project Appeal
  - i) Large Project Appeal
    - (1) Request First Appeal; and/or
    - (2) Request Second Appeal; and/or
    - (3) Request Appeal via Arbitration
  - ii) Small Project Appeal
    - (1) Small Project Netting

#### **4. PROJECT RECONCILIATION AND CLOSEOUT**

The purpose of closeout is for the Sub-Recipient to certify that all work has been completed. To ensure a timely closeout process, the Sub-Recipient should notify the Recipient within sixty (60) days of Project completion.

The Sub-Recipient should include the following information with its closeout request:

- Certification that project is complete;
- Date of project completion; and,
- Copies of any Recipient time extensions.

##### **Large Projects**

With exception of Fixed Cost Estimate Subawards, Alternate Projects and Improved Projects where final costs exceed FEMA's original approval, the final eligible amount for a Large Project is the actual documented cost of the completed, eligible SOW. Therefore, upon completion of each Large Project that FEMA obligated based on an estimated amount; the Sub-Recipient should provide the documentation to support the actual costs. If the actual costs significantly differ from the estimated amount, the Sub-Recipient should provide an explanation for the significant difference.

FEMA reviews the documentation and, if necessary, obligates additional funds or reduces funding based on actual costs to complete the eligible SOW. If the project included approved hazard mitigation measures; FEMA does not re-evaluate the cost-effectiveness of the HMP based on the final actual cost. If during the review, FEMA determines that the Sub-Recipient performed work that was not included in the approved SOW, FEMA will designate the project as an Improved Project, cap the funding at the original estimated amount, and review the additional SOW for EHP compliance.

For Fixed Cost Estimate Subawards, the Applicant must provide documentation to support that it used the funds in accordance with the eligibility criteria described in the PAPPG and guidance provided at <http://www.fema.gov/alternative-procedures> and in the referenced disaster specific guidance attached hereto.

Once FEMA completes the necessary review and funding adjustments, FEMA closes the project.

##### **Small Projects**

Once FEMA obligates a Small Project, FEMA does not adjust the approved amount of an individual Small Project. This applies even when FEMA obligates the PW based on an estimate and actual costs for

completing the eligible SOW differ from the estimated amount. FEMA only adjusts the approved amount on individual Small Projects if one of the following conditions applies:

- The Sub-Recipient did not complete the approved SOW;
- The Sub-Recipient requests additional funds related to an eligible change in SOW;
- The PW contains inadvertent errors or omissions; or,
- Actual insurance proceeds differ from the amount deducted in the PW.

In these cases, FEMA only adjusts the specific cost items affected.

If none of the above applies, the Sub-Recipient may request additional funding if the total actual cost of all of its Small Projects combined exceeds the total amount obligated for all of its Small Projects. In this case, the Sub-Recipient must request the additional funding through the appeal process, within sixty (60) days of completion of its last Small Project. FEMA refers to this as a net small project overrun appeal. The appeal must include actual cost documentation for all Small Projects that FEMA originally funded based on estimate amounts.

To ensure that all work has been performed within the scope of work specified on the Project Worksheets, the Recipient will conduct final inspections on Large Projects, and may, at its sole discretion, select one or more Small Projects to be inspected. Costs determined to be outside of the approved scope of work and/or outside of the approved performance period cannot be reimbursed.

For COVID-19 DR-4486, projects that are under \$131,100.00 are considered small projects. In coordination with FEMA, the Division will accept a self-certification of small projects in lieu of project documentation for permanent work projects (Categories C-G). The self-certification will require the applicant to certify that the damaged facility is eligible, the scope of work is eligible, and that the funds will be expended in accordance with State and Federal law. A copy of the self-certification is attached hereto.

This self-certification will be completed during project development in Grants Portal prior to obligation. Once the project is obligated, the Division will reimburse the project without a request for reimbursement. However, in order to close out the project, the applicant must provide before and after photos of the project.

## **5. TIME EXTENSIONS**

FEMA only provides PA funding for work completed and costs incurred within regulatory deadlines. The deadline for **Emergency Work** is six (6) months from the declaration date. The deadline for **Permanent Work** is eighteen (18) months from the declaration date.

<b>Deadlines for Completion of Work</b>	
<b>Type of Work</b>	<b>Months</b>
Emergency Work	6
Permanent Work	18

If the Applicant determines it needs additional time to complete the project, including direct administrative tasks related to the project, it must submit a written request for a Time Extension to the Recipient with the following information:

- Documentation substantiating delays beyond its control;
- A detailed justification for the delay;
- Status of the work; and,
- The project timeline with the projected completion date.

Within its discretion, set out by 44 C.F.R. §206.204, the Division will grant a time extension for all emergency work, or Category A (debris removal) and B (emergency protective measures) work, by three (3) months. This extends the period of performance for all applicants designated for Category A and B work.

This time extension does not apply to Permanent Work projects. For Permanent Work projects, the applicant will need to submit a time extension request via the FDEM Grants Management System once the project is obligated by FEMA. If the Division grants the time extension request, the grant will be retroactive.

It may extend Emergency Work projects by six (6) months and Permanent Work projects by thirty (30) months. FEMA has authority to extend individual project deadlines beyond these timeframes if extenuating circumstances justify additional time. This applies to all projects with the exception of those projects for temporary facilities.

FEMA generally considers the following to be extenuating circumstances beyond the Applicant's control:

- Permitting or EHP compliance related delays due to other agencies involved
- Environmental limitations (such as short construction window)
- Inclement weather (site access prohibited or adverse impact on construction)

FEMA generally considers the following to be circumstances within the control of the Applicant and not justifiable for a time extension:

- Permitting or environmental delays due to Applicant delays in requesting permits
- Lack of funding
- Change in administration or cost accounting system
- Compilation of cost documentation

Although FEMA only provides PA funding for work performed on or before the approved deadline, the Applicant must still complete the approved SOW for funding to be eligible. FEMA de-obligates funding for any project that the Applicant does not complete. If the Applicant completes a portion of the approved SOW and the completed work is distinct from the uncompleted work, FEMA only de-obligates funding for the uncompleted work. For example, if one project includes funds for three facilities and the Applicant restores only two of the three facilities, FEMA only de-obligates the amount related to the facility that the Applicant did not restore.

Time Extension requests should be submitted prior to current approved deadline, be specific to one project, and include the following information with supporting documentation:

- Dates and provisions of all previous time extensions
- Construction timeline/project schedule in support of requested time
- Basis for time extension request:
  - Delay in obtaining permits
    - Permitting agencies involved and application dates
  - Environmental delays or limitations (e.g., short construction window, nesting seasons)
    - Dates of correspondence with various agencies
    - Specific details
- Inclement weather (prolonged severe weather conditions prohibited access to the area, or adversely impacted construction)
  - Specific details
- Other reason for delay
  - Specific details

Submission of a Time Extension request does not automatically grant an extension to the period of performance. Without an approved Time Extension from the State of FEMA (as applicable), any expenses incurred outside the P.O.P. are ineligible.

## **6. INSURANCE**

The Sub-Recipient understands and agrees that disaster funding for insurable facilities provided by FEMA is intended to supplement, not replace, financial assistance from insurance coverage and/or other sources. Actual or anticipated insurance proceeds must be deducted from all applicable FEMA Public Assistance grants in order to avoid a duplication of benefits. The Sub-Recipient further understands and agrees that if Public Assistance funding is obligated for work that is subsequently determined to be covered by

insurance and/or other sources of funding, FEMA must de-obligate the funds per Stafford Act Sections 101 (b)(4) and 312 (c).

As a condition of funding under this Agreement, pursuant to 44 C.F.R. §§ 206.252-253, for damaged facilities, the Sub-Recipient understands it must, and it agrees to, maintain such types of insurance as are reasonable and necessary to protect against future loss for the anticipated life of the restorative work or the insured facility, whichever is lesser. Except that the Recipient acknowledges FEMA does not require insurance to be obtained and maintained for projects where the total eligible damage is less than \$5,000<sup>00</sup>.

In addition to the preceding requirements, the Sub-Recipient understands it is required to obtain and maintain insurance on certain permanent work projects in order to be eligible for Public Assistance funding in future disasters pursuant to § 311 of the Stafford Act. As stated in the Stafford Act, "Such coverage must at a minimum be in the amount of the eligible project costs." Further, the Stafford Act, requires a Sub-Recipient to purchase and maintain insurance, where that insurance is "reasonably available, adequate or necessary to protect against future loss" to an insurable facility as a condition for receiving disaster assistance funding. The Public Assistance Program and Policy Guide further states, "If the Applicant does not comply with the requirement to obtain and maintain insurance, FEMA will deny or de-obligate PA funds from the current disaster." If the State Insurance Commissioner certifies that the type and extent of insurance is not "reasonably available, adequate or necessary to protect against future loss" to an insurable facility, the Regional Administrator may modify or waive the requirement in conformity with the certification.

The Sub-Recipient understands and agrees it is responsible for being aware of, and complying with, all insurance considerations contained in the Stafford Act and in 44 C.F.R. §§ 206.252-253.

The Sub-Recipient agrees to notify the Recipient in writing within thirty (30) days of the date it becomes aware of any insurance coverage for the damage identified on the applicable Project Worksheets and of any entitlement to compensation or indemnification from such insurance. The Sub-recipient further agrees to provide all pertinent insurance information, including but not limited to copies of all policies, declarations pages, insuring agreements, conditions, and exclusions, Statement of Loss, and Statement of Values for each insured damaged facility.

The Sub-Recipient understands and agrees that it is required to pursue payment under its insurance policies to the best of its ability to maximize potential coverage available.

## **7. COMPLIANCE WITH PLANNING/PERMITTING REGULATIONS AND LAWS**

The Sub-Recipient is responsible for the implementation and completion of the approved projects described in the Project Worksheets in a manner acceptable to Recipient, and in accordance with applicable Local, State, and Federal legal requirements.

If applicable, the contract documents for any project undertaken by the Sub-grantee/Sub-Recipient, and any land use permitted by or engaged in by the Sub-grantee/Sub-Recipient, must be consistent with the local government comprehensive plan.

The Sub-Recipient must ensure that any development or development order complies with all applicable planning, permitting, and building requirements including, but not limited to, the National Environmental Policy Act and the National Historic Preservation Act.

The Sub-Recipient must engage such competent, properly licensed, engineering, environmental, archeological, building, and other technical and professional assistance at all project sites as may be needed to ensure that the project complies with the contract documents.

## **8. FUNDING FOR LARGE PROJECTS**

Although Large Project payment must be based on documented actual costs, most Large Projects are initially approved based on estimated costs. Funds are made available to the Sub-Recipient when work is in progress and funds have been expended with documentation of costs available. When all work associated with the project is complete, the State will perform a reconciliation of all costs and will transmit the information to FEMA for its consideration for final funding adjustments (See Closeouts).

The submission from the Sub-Recipient requesting this reimbursement must include:

- a) A Request for Reimbursement (available in the FDEM Grants Management System);
- b) A Summary of Documentation (SOD) which is titled Reimbursement Detail Report in the FDEM Grants Management System and is automatically created when the Request for Reimbursement is submitted (and is supported by copies of original documents such as, but not limited to, contract documents, insurance policies, payroll records, daily work logs, invoices, purchase orders, and change orders); and,
- c) The FDEM Cost Claim Summary Workbook (found in the Forms section of the FDEM Grants Management System), along with copies of original documents such as contract documents, invoices, change orders, canceled checks (or other proof of expenditure), purchase orders, etc.

## **9. ADVANCES**

1. For a Federally funded contract, any advance payment is also subject to 2 C.F.R., Federal OMB Circulars A-87, A-110, A-122, and the Cash Management Improvement Act of 1990.
2. All advances must be held in an interest-bearing account with the interest being remitted to the Recipient as often as practicable, but not later than ten (10) business days after the close of each calendar quarter.
3. In order to prepare a Request for Advance (RFA) the Sub-Recipient must certify to the Recipient that it has procedures in place to ensure that funds are disbursed to project vendors, contractors, and subcontractors without unnecessary delay. The Sub-Recipient must prepare and submit a budget that contains a timeline projecting future payment schedules through project completion.
4. A separate RFA must be completed for each Project Worksheet to be included in the Advance Funding Payment.
5. The Sub-Recipient must complete a Request for Reimbursement (RFR) via the FDEM Grants Management System no more than ninety (90) days after receiving its Advance Payment for a specific project. The RFR must account for all expenditures incurred while performing eligible work documented in the applicable Project Worksheet for which the Advance was received.
6. If a reimbursement has been paid prior to the submittal of a request for an advance payment, an Advance cannot be accepted for processing.
7. The Recipient may advance funds to the Sub-Recipient, not exceeding the Federal share, only if the Sub-Recipient meets the following conditions:
  - a) The Sub-Recipient must certify to the Recipient that Sub-Recipient has procedures in place to ensure that funds are disbursed to project vendors, contractors, and subcontractors without unnecessary delay;
  - b) The Sub-Recipient must submit to the Recipient the budget supporting the request.
8. The Sub-Recipient must submit a statement justifying the advance and the proposed use of the funds, which also specifies the amount of funds requested and certifies that the advanced funds will be expended no more than ninety (90) days after receipt of the Advance;
9. The Recipient may, in its sole discretion, withhold a portion of the Federal and/or nonfederal share of funding under this Agreement from the Sub-Recipient if the Recipient reasonably expects that the Sub-Recipient cannot meet the projected budgeted timeline or that there may be a subsequent determination by FEMA that a previous disbursement of funds under this or any other Agreement with the Sub-Recipient was improper.

Payments under the Public Assistance Alternative Procedures Program (PAAP) are paid as an Advance Payment only if permissible in accordance with 2 C.F.R. § 200.305(b). Advance payments are only permissible if in compliance with 2 C.F.R. § 200.305(b), and PAAP projects are no exception.

#### **10. DESIGNATION OF AGENT**

The Sub-Recipient must complete Attachment D by designating at least three (3) agents to execute any Requests for Advance or Reimbursement, certifications, or other necessary documentation on behalf of the Sub-Recipient.

After execution of this Agreement, the authorized, primary, and secondary Agent may request changes to contacts via email to the State assigned team.

In the event the Sub-Recipient contacts have not been updated regularly and all three (3) Agents have separated from the Sub-Recipient's agency, a designation of authority form will be needed to change contacts.

***NOTE: This is very important because if contacts are not updated, notifications made from FDEM Grants Management System may not be received and could result in failure to meet time periods to appeal a Federal determination.***

#### **11. DUNS Q&A**

##### **What is a DUNS number?**

The Data Universal Numbering System (DUNS) number is a unique nine-digit identification number provided by Dun & Bradstreet (D&B). The DUNS number is site specific. Therefore, each distinct physical location of an entity such as branches, divisions and headquarters, may be assigned a DUNS number.

##### **Who needs a DUNS number?**

Any *institution* that wants to submit a grant application to the Federal government. Individual researchers do not need a DUNS number if they are submitting their application through a research organization.

##### **How do I get a DUNS number?**

Dun & Bradstreet have designated a special phone number for Federal grant and cooperative agreement applicants/prospective applicants. Call the number below between 8 a.m. and 5 p.m., local time in the 48 contiguous states and speak to a D&B representative. This process will take approximately 5 – 10 minutes and you will receive your DUNS number at the conclusion of the call.

1-866-705-5711

##### **What do I need before I request a DUNS number?**

Before you call D&B, you will need the following pieces of information:

- Legal Name
- Headquarters name and address for your organization
- Doing business as (dba) or other name by which your organization is commonly recognized
- Physical address
- Mailing address (if separate from headquarters and/or physical address)
- Telephone number
- Contact name and title
- Number of employees at your physical location

##### **How much does a DUNS number cost?**

There is no charge to obtain a DUNS number.

##### **Why does my institution need a DUNS number?**

New regulations taking affect Oct. 1, 2003 mandate that a DUNS number be provided on all Federal grant and cooperative agreement applications. The DUNS number will offer a way for the Federal government to better match information across all agencies.

**How do I see if my institution already has a DUNS number?**

Call the toll-free number above and indicate that you are a Federal grant and/or cooperative agreement applicant. D&B will tell you if your organization already has a number assigned. If not, they will ask if you wish to obtain one.

**Should we use the +4 extension to the DUNS number?**

Although D&B provides the ability to use a 4-digit extension to the DUNS number, neither D&B nor the Federal government assign any importance to the extension. Benefits, if any, derived from the extension will be at your institution only.

**Is there anything special that we should do for multi-campus systems?**

Multi-campus systems can use what is called a parent DUNS number to aggregate information for the system as a whole. The main campus will need to be assigned a DUNS number. Then each satellite campus will need to reference the main campus DUNS number as their parent DUNS when obtaining their own DUNS number. For NIH grantees, if each campus submits grant applications as a unique grantee organization, then each campus needs to obtain their own DUNS number.

**What should we do if our institution has more than 1 DUNS number?**

Your institution will need to decide which DUNS number to use for grant application purposes and use only that number.

**Are there any exceptions to the new DUNS number rules?**

Individuals who would personally receive a grant or cooperative agreement award from the Federal government apart from any business or non-profit organization they may operate are exempt from this requirement.

**Who at my institution is responsible for requesting a DUNS number?**

This will vary from institution to institution. This should be done by someone knowledgeable about the entire structure of your institution and who has the authority to make such decisions. Typically, this request would come from the finance/accounting department or some other department that conducts business with a large cross section of the institution.

**We are an organization new to Federal grant funding so we obviously need a DUNS number. But we don't want to be included in any marketing list. What can we do?**

Inclusion on a D&B marketing list is optional. If you do not want your name/organization included on this marketing list, request to be de-listed from D&B's marketing file when you are speaking with a D&B representative during your DUNS number telephone application.

**Who do we contact if we have questions?**

If you have questions about applying for a DUNS number, contact the Dun & Bradstreet special phone number 1-866-705-5771. If you have questions concerning this new Federal-wide requirement, contact Sandra Swab, Office of Federal Financial Management, 202-395-3993 or via e-mail at [sswab@omb.eop.gov](mailto:sswab@omb.eop.gov).

**12. Substitute Form W-9**

For the purpose of this Agreement, a Sub-Recipient is also a Vendor. The State of Florida requires vendors doing business with the State to submit a Substitute Form W-9. The purpose of a Form W-9 is to provide a Federal Taxpayer Identification Number (TIN), official entity name, a business designation (sole proprietorship, corporation, partnership, etc.), and other taxpayer information to the State. Submission of a Form W-9 ensures that the State's vendor records and Form 1099 reporting



are accurate. Due to specific State of Florida requirements, the State will not accept the Internal Revenue Service Form W-9.

Effective March 5, 2012, State of Florida agencies will not be permitted to place orders for goods and services or make payments to any vendor that does not have a verified Substitute W-9 on file with the Department of Financial Services. Vendors are required to register and submit a Form W-9 on the State's Vendor Website at <https://flvendor.myfloridacfo.com>.

### **13. Small, Women Owned and Minority Owned Businesses**

2 CFR 200.321 requires a non-Federal entity take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible. These affirmative steps must include:

- (1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- (2) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
- (3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
- (4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
- (5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
- (6) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) of this section.

**Attachment H**

**FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA)  
INSTRUCTIONS AND WORKSHEET**

**PURPOSE:** The Federal Funding Accountability and Transparency Act (FFATA) was signed on September 26, 2006. The intent of this legislation is to empower every American with the ability to hold the government accountable for each spending decision. The FFATA legislation requires information on Federal awards (Federal assistance and expenditures) be made available to the public via a single, searchable website, which is <http://www.usaspending.gov/>.

The FFATA Subaward Reporting System (FSRS) is the reporting tool the Florida Division of Emergency Management ("FDEM" or "Division") must use to capture and report sub-award and executive compensation data regarding first-tier subawards that obligate \$25,000 or more in Federal funds (excluding Recovery funds as defined in section 1512(a)(2) of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5).

Note: This "Instructions and Worksheet" is meant to explain the requirements of the FFATA and give clarity to the FFATA Form distributed to sub-awardees for completion. All pertinent information below should be filled out, signed, and returned to the project manager.

**ORGANIZATION AND PROJECT INFORMATION**

**The following information must be provided to the FDEM prior to the FDEM's issuance of a subaward (Agreement) that obligates \$25,000 or more in Federal funds as described above. Please provide the following information and return the signed form to the Division as requested.**

PROJECT #: \_\_\_\_\_

FUNDING AGENCY: Federal Emergency Management Agency

AWARD AMOUNT: \$ \_\_\_\_\_

OBLIGATION/ACTION DATE: \_\_\_\_\_

SUBAWARD DATE (if applicable): \_\_\_\_\_

DUNS#: 025113747

DUNS# +4: \_\_\_\_\_

\*If your company or organization does not have a DUNS number, you will need to obtain one from Dun & Bradstreet at 866-705-5711 or use the web form (<http://fedgov.dnb.com/webform>). The process to request a DUNS number takes about ten minutes and is free of charge.

BUSINESS NAME: \_\_\_\_\_

DBA NAME (IF APPLICABLE): \_\_\_\_\_

PRINCIPAL PLACE OF BUSINESS ADDRESS: \_\_\_\_\_

ADDRESS LINE 1: \_\_\_\_\_

ADDRESS LINE 2: \_\_\_\_\_

ADDRESS LINE 3: \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP CODE+4\*\* \_\_\_\_\_

PARENT COMPANY DUNS# (if applicable): \_\_\_\_\_

CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA#): \_\_\_\_\_

DESCRIPTION OF PROJECT (Up to 4000 Characters)

Complete eligible Projects for repair or replacement of Disaster damaged facilities.

**PRINCIPAL PLACE OF PROJECT PERFORMANCE (IF DIFFERENT THAN PRINCIPAL PLACE OF BUSINESS):**

ADDRESS LINE 1: \_\_\_\_\_

ADDRESS LINE 2: \_\_\_\_\_

ADDRESS LINE 3: \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP CODE+4\*\* \_\_\_\_\_

**CONGRESSIONAL DISTRICT FOR PRINCIPAL PLACE OF PROJECT PERFORMANCE:**

\*\*Providing the Zip+4 ensures that the correct Congressional District is reported.

**EXECUTIVE COMPENSATION INFORMATION:**

1. 1. In your business or organization's previous fiscal year, did your business or organization (including parent organization, all branches, and all affiliates worldwide) receive (a) 80 percent or more of your annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance (e.g. loans, grants, subgrants, and/or cooperative agreements, etc.) subject to the Transparency Act, as defined at 2 CFR 170.320; AND, (b) \$25,000,000 or more in annual gross revenues from U.S. Federal procurement contracts (and subcontracts) and Federal financial assistance (e.g. loans, grants, subgrants, and/or cooperative agreements, etc.) subject to the Transparency Act?
- Yes  No

***If the answer to Question 1 is "Yes," continue to Question 2. If the answer to Question 1 is "No", move to the signature block below to complete the certification and submittal process.***

2. Does the public have access to information about the compensation of the executives in your business or organization (including parent organization, all branches, and all affiliates worldwide) through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) Section 6104 of the Internal Revenue Code of 1986?
- Yes  No

**If the answer to Question 2 is "Yes," move to the signature block below to complete the certification and submittal process. [Note: Securities Exchange Commission information should be accessible at <http://www.sec.gov/answers/excomp.htm>. Requests for Internal Revenue Service (IRS) information should be directed to the local IRS for further assistance.]**

**If the answer to Question 2 is "No" FFATA reporting is required. Provide the information required in the "TOTAL COMPENSATION CHART FOR MOST RECENTLY COMPLETED FISCAL YEAR" appearing below to report the "Total Compensation" for the five (5) most highly compensated "Executives", in rank order, in your organization. For purposes of this request, the following terms apply as defined in 2 CFR Ch. 1 Part 170 Appendix A:**

**"Executive"** is defined as "officers, managing partners, or other employees in management positions".

**"Total Compensation"** is defined as the cash and noncash dollar value earned by the executive during the most recently completed fiscal year and includes the following:

- i. Salary and bonus.
- ii. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.
- iii. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.
- iv. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.
- v. Above-market earnings on deferred compensation which is not tax-qualified.
- vi. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.

**TOTAL COMPENSATION CHART FOR MOST RECENTLY COMPLETED FISCAL YEAR**

(Date of Fiscal Year Completion \_\_\_\_\_)

Rank (Highest to Lowest)	Name (Last, First, MI)	Title	Total Compensation for Most Recently Completed Fiscal Year
1			
2			
3			
4			
5			

THE UNDERSIGNED CERTIFIES THAT ON THE DATE WRITTEN BELOW, THE INFORMATION PROVIDED HEREIN IS ACCURATE.

SIGNATURE: \_\_\_\_\_

NAME AND TITLE: Michael O'Rourke / Mayor

DATE: \_\_\_\_\_





## **CONTRACT PROVISIONS TEMPLATE**

**FEMA Office of Chief Counsel**

---

**Procurement Disaster Assistance Team**

## INTRODUCTION

If a non-Federal entity (state or non-state) wants to use federal funds to pay or reimburse their expenses for equipment or services under a contract, that contract **must** contain the applicable clauses described in [Appendix II to the Uniform Rules](#) (Contract Provisions for Non-Federal Entity Contracts Under Federal Awards) under 2 C.F.R. § 200.326. In addition, there are certain contract clauses which are recommended by FEMA.

**This document outlines the federally required contract provisions in addition to FEMA-recommended provisions.**

- For some of the required clauses, sample language or references to find sample language are provided.
- Sample language for certain required clauses (remedies, termination for cause and convenience, changes) is not provided since these must be drafted in accordance with the non-Federal entity's applicable local laws and procedures.
- For the clauses which require that exact language be included, the required language is provided. Those clauses are specifically identified below.

**Please note that the non-Federal entity alone is responsible for ensuring that all language included in their contracts meets the requirements of 2 C.F.R. § 200.326 and 2 C.F.R. Part 200, Appendix II.**

## TABLE OF CONTENTS

<b>I. TOOLS</b>	
1. CONTRACT PROVISIONS QUICK REFERENCE GUIDE .....	4
<b>II. REQUIRED CONTRACT PROVISIONS</b>	
1. REMEDIES.....	6
2. TERMINATION FOR CAUSE AND CONVENIENCE.....	6
3. EQUAL EMPLOYMENT OPPORTUNITY .....	6
4. DAVIS BACON ACT.....	10
5. COPELAND ANTI-KICKBACK ACT .....	11
6. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT.....	13
7. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT.....	14
8. CLEAN AIR ACT AND THE FEDERAL WATER POLLUTION CONTROL ACT... ..	15
9. DEBARMENT AND SUSPENSION .....	16
10. BYRD ANTI-LOBBYING AMENDMENT.....	18
11. PROCUREMENT OF RECOVERED MATERIALS .....	21
<b>III. FEMA-RECOMMENDED CONTRACT PROVISIONS</b>	
1. ACCESS TO RECORDS.....	22
2. CHANGES/MODIFICATIONS .....	23
3. NON-USE OF DHS SEAL, LOGO, AND FLAGS.....	23
4. COMPLIANCE WITH FEDERAL LAW, REGULATIONS, AND EXECUTIVE ORDERS... ..	24
5. NO OBLIGATION BY THE FEDERAL GOVERNMENT .....	24
6. PROGRAM FRAUD AND FALSE/FRAUDULENT STATEMENTS OR RELATED ACTS....	25

## Required Contract Provisions: Quick Reference Guide

KEY	
Required/Recommended Provision	<input type="checkbox"/>
Required/Recommended Provision and Required Exact Language	<input type="checkbox"/>
Not Required for PA Awards (Grants)	<input type="checkbox"/>

	Required Provision	Contract Criteria	Sample Language?
1.	Legal/contractual/administrative remedies for breach of contract	> Simplified Acquisition Threshold (\$250k)	No. It is based on applicant's procedures.
2.	Termination for cause or convenience	> \$10k	No. It is based on applicant's procedures.
3.	Equal Employment Opportunity	Construction work	Yes. 41 CFR Part 60-1.4(b)
4.	Davis Bacon Act	Construction work	<b>Not applicable to PA grants</b>
5.	Copeland Anti-Kickback Act	Construction work > \$2k	<b>Not applicable to PA grants</b>
6.	Contract Work Hours and Safety Standards Act	> \$100k + mechanics or laborers	Yes. 29 CFR 5.5(b)
7.	Rights to inventions made under a contract or agreement	Funding agreement	<b>Not applicable to PA grants</b>
8.	Clean Air Act and Federal Water Pollution Control Act	>\$150k	Yes
9.	Debarment and Suspension	All	Yes
10.	Byrd Anti-Lobbying Amendment	All (>\$100k: Certification)	Yes. Clause and certification
11.	Procurement of Recovered Materials	Applicant is a state or political subdivision of a state. Work involves the use of materials.	Yes



## Recommended Contract Provisions: Quick Reference Guide

	Recommended Provision	Contract Criteria	Sample Language?
1.	Access to Records	All	Yes
2.	Contract Changes or Modifications	All	No. It depends on nature of contract and end-item procured.
3.	DHS Seal, Logo, and Flags	All	Yes
4.	Compliance with Federal Law, Regulations and Executive Orders	All	Yes
5.	No Obligation by Federal Government	All	Yes
6.	Program Fraud and False or Fraudulent Statements or Related Acts	All	Yes

## REQUIRED CONTRACT PROVISIONS

### 1. REMEDIES

- a. Standard. Contracts for more than the simplified acquisition threshold, currently set at \$250,000, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate. See 2 C.F.R. Part 200, Appendix II(A).
- b. Applicability. This requirement applies to all FEMA grant and cooperative agreement programs.

### 2. TERMINATION FOR CAUSE AND CONVENIENCE

- a. Standard. All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-Federal entity, including the manner by which it will be effected and the basis for settlement. See 2 C.F.R. Part 200, Appendix II(B).
- b. Applicability. This requirement applies to all FEMA grant and cooperative agreement programs.

### 3. EQUAL EMPLOYMENT OPPORTUNITY

**If applicable, exact language below in subsection 3.d is required.**

- a. Standard. Except as otherwise provided under 41 C.F.R. Part 60, all contracts that meet the definition of “federally assisted construction contract” in 41 C.F.R. § 60-1.3 must include the equal opportunity clause provided under 41 C.F.R. § 60- 1.4(b), in accordance with Executive Order 11246, *Equal Employment Opportunity* (30 Fed. Reg. 12319, 12935, 3 C.F.R. Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, *Amending Executive Order 11246 Relating to Equal Employment Opportunity*, and implementing regulations at 41 C.F.R. Part 60 (Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor). See 2 C.F.R. Part 200, Appendix II(C).

b. Key Definitions.

- i. Federally Assisted Construction Contract. The regulation at 41 C.F.R. § 60-1.3 defines a “federally assisted construction contract” as any agreement or modification thereof between any applicant and a person for construction work which is paid for in whole or in part with funds obtained from the Government or borrowed on the credit of the Government pursuant to any Federal program involving a grant, contract, loan, insurance, or guarantee, or undertaken pursuant to any Federal program involving such grant, contract, loan, insurance, or guarantee, or any application or modification thereof approved by the Government for a grant, contract, loan, insurance, or guarantee under which the applicant itself participates in the construction work.
- ii. Construction Work. The regulation at 41 C.F.R. § 60-1.3 defines “construction work” as the construction, rehabilitation, alteration, conversion, extension, demolition or repair of buildings, highways, or other changes or improvements to real property, including facilities providing utility services. The term also includes the supervision, inspection, and other onsite functions incidental to the actual construction.

c. Applicability. This requirement applies to all FEMA grant and cooperative agreement programs.

d. Required Language. The regulation at 41 C.F.R. Part 60-1.4(b) requires the insertion of the following contract clause.

During the performance of this contract, the contractor agrees as follows:

(1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following:

Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for

employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

**(2)** The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

**(3)** The contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.

**(4)** The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

**(5)** The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

**(6)** The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

**(7)** In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures

authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

**(8)** The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:

Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

The applicant further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: *Provided*, That if the applicant so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.

The applicant agrees that it will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.

The applicant further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon

contractors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order. In addition, the applicant agrees that if it fails or refuses to comply with these undertakings, the administering agency may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to the applicant under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the Department of Justice for appropriate legal proceedings.

#### 4. DAVIS-BACON ACT

- a. Standard. All prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. §§ 3141-3144 and 3146-3148) as supplemented by Department of Labor regulations at 29 C.F.R. Part 5 (Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction). See 2 C.F.R. Part 200, Appendix II(D). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week.
- b. Applicability. The Davis-Bacon Act only applies to the Emergency Management Preparedness Grant Program, Homeland Security Grant Program, Nonprofit Security Grant Program, Tribal Homeland Security Grant Program, Port Security Grant Program, and Transit Security Grant Program. **It DOES NOT apply to other FEMA grant and cooperative agreement programs, including the Public Assistance Program.**
- c. Requirements. If applicable, the non-federal entity must do the following:
  - i. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.
  - ii. Additionally, pursuant 2 C.F.R. Part 200, Appendix II(D), contracts subject to the Davis-Bacon Act, must also include a provision for compliance with

the Copeland “Anti-Kickback” Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations at 29 C.F.R. Part 3 (Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States). The Copeland Anti-Kickback Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to FEMA.

- iii. Include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”).

Suggested Language. The following provides a sample contract clause:

Compliance with the Davis-Bacon Act.

- a. All transactions regarding this contract shall be done in compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) and the requirements of 29 C.F.R. pt. 5 as may be applicable. The contractor shall comply with 40 U.S.C. 3141-3144, and 3146-3148 and the requirements of 29 C.F.R. pt. 5 as applicable.
- b. Contractors are required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor.
- c. Additionally, contractors are required to pay wages not less than once a week.

## 5. COPELAND ANTI-KICKBACK ACT

- a. Standard. Recipient and subrecipient contracts must include a provision for compliance with the Copeland “Anti-Kickback” Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”).

- b. **Applicability.** This requirement applies to all contracts for construction or repair work above \$2,000 in situations where the Davis-Bacon Act also applies. **It DOES NOT apply to the FEMA Public Assistance Program.**
  
- c. **Requirements.** If applicable, the non-federal entity must include a provision for compliance with the Copeland “Anti-Kickback” Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations at 29 C.F.R. Part 3 (Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States). Each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to FEMA. Additionally, in accordance with the regulation, each contractor and subcontractor must furnish each week a statement with respect to the wages paid each of its employees engaged in work covered by the Copeland Anti-Kickback Act and the Davis Bacon Act during the preceding weekly payroll period. The report shall be delivered by the contractor or subcontractor, within seven days after the regular payment date of the payroll period, to a representative of a Federal or State agency in charge at the site of the building or work.

**Sample Language.** The following provides a sample contract clause:

**Compliance with the Copeland “Anti-Kickback” Act.**

- a. **Contractor.** The contractor shall comply with 18 U.S.C. § 874, 40 U.S.C. § 3145, and the requirements of 29 C.F.R. pt. 3 as may be applicable, which are incorporated by reference into this contract.
  
- b. **Subcontracts.** The contractor or subcontractor shall insert in any subcontracts the clause above and such other clauses as FEMA may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all of these contract clauses.
  
- c. **Breach.** A breach of the contract clauses above may be grounds for termination of the contract, and for debarment



as a contractor and subcontractor as provided in 29 C.F.R. § 5.12.”

## 6. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

- a. **Standard.** Where applicable (see 40 U.S.C. §§ 3701-3708), all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. §§ 3702 and 3704, as supplemented by Department of Labor regulations at 29 C.F.R. Part 5. See 2 C.F.R. Part 200, Appendix II(E). Under 40 U.S.C. § 3702, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. Further, no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous.
- b. **Applicability.** This requirement applies to all FEMA contracts awarded by the non-federal entity in excess of \$100,000 under grant and cooperative agreement programs that involve the employment of mechanics or laborers. It is applicable to construction work. These requirements do not apply to the purchase of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.
- c. **Suggested Language.** The regulation at 29 C.F.R. § 5.5(b) provides contract clause language concerning compliance with the Contract Work Hours and Safety Standards Act. FEMA suggests including the following contract clause:

### Compliance with the Contract Work Hours and Safety Standards Act.

**(1) Overtime requirements.** No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

**(2) Violation; liability for unpaid wages; liquidated damages.** In the event of any violation of the clause set forth in paragraph (b)(1) of this section the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (b)(1) of this section, in the sum of \$27 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (b)(1) of this section.

**(3) Withholding for unpaid wages and liquidated damages.** The **(write in the name of the Federal agency or the loan or grant recipient)** shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (b)(2) of this section.

**(4) Subcontracts.** The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (b)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (b)(1) through (4) of this section.

## **7. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT**

- a. **Standard.** If the FEMA award meets the definition of “funding agreement” under 37C.F.R. § 401.2(a) and the non-Federal entity wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the non-Federal entity must comply with the requirements of 37 C.F.R. Part 401 (Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under

Government Grants, Contracts and Cooperative Agreements), and any implementing regulations issued by FEMA. See 2 C.F.R. Part 200, Appendix II(F).

- b. **Applicability.** This requirement applies to “*funding agreements*,” but it **DOES NOT apply to the Public Assistance**, Hazard Mitigation Grant Program, Fire Management Assistance Grant Program, Crisis Counseling Assistance and Training Grant Program, Disaster Case Management Grant Program, and Federal Assistance to Individuals and Households – Other Needs Assistance Grant Program, as FEMA awards under these programs do not meet the definition of “*funding agreement*.”
- c. **Funding Agreements Definition.** The regulation at 37 C.F.R. § 401.2(a) defines “*funding agreement*” as any contract, grant, or cooperative agreement entered into between any Federal agency, other than the Tennessee Valley Authority, and any contractor for the performance of experimental, developmental, or research work funded in whole or in part by the Federal government. This term also includes any assignment, substitution of parties, or subcontract of any type entered into for the performance of experimental, developmental, or research work under a funding agreement as defined in the first sentence of this paragraph.

## 8. CLEAN AIR ACT AND THE FEDERAL WATER POLLUTION CONTROL ACT

- a. **Standard.** If applicable, contracts must contain a provision that requires the contractor to agree to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act (42 U.S.C. §§ 7401-7671q.) and the Federal Water Pollution Control Act as amended (33 U.S.C. §§ 1251-1387). Violations must be reported to FEMA and the Regional Office of the Environmental Protection Agency. See 2 C.F.R. Part 200, Appendix II(G).
- b. **Applicability.** This requirement applies to contracts awarded by a non-federal entity of amounts in excess of \$150,000 under a federal grant.
- c. **Suggested Language.** The following provides a sample contract clause.

### Clean Air Act

1. The contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as

amended, 42 U.S.C. § 7401 et seq.

2. The contractor agrees to report each violation to the (**name of applicant entering into the contract**) and understands and agrees that the (**name of the applicant entering into the contract**) will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.
3. The contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by FEMA.

#### Federal Water Pollution Control Act

1. The contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.
2. The contractor agrees to report each violation to the (**name of the applicant entering into the contract**) and understands and agrees that the (**name of the applicant entering into the contract**) will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.
3. The contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by FEMA.

## **9. DEBARMENT AND SUSPENSION**

- a. Standard. Non-Federal entities and contractors are subject to the debarment and suspension regulations implementing Executive Order 12549, *Debarment and Suspension* (1986) and Executive Order 12689, *Debarment and Suspension* (1989) at 2 C.F.R. Part 180 and the Department of Homeland Security's regulations at 2 C.F.R. Part 3000 (Nonprocurement Debarment and Suspension).
- b. Applicability. This requirement applies to all FEMA grant and cooperative

agreement programs.

c. Requirements.

- i. These regulations restrict awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs and activities. See 2 C.F.R. Part 200, Appendix II(H); and 2 C.F.R. § 200.213. A contract award must not be made to parties listed in the SAM Exclusions. SAM Exclusions is the list maintained by the General Services Administration that contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. SAM exclusions can be accessed at [www.sam.gov](http://www.sam.gov). See 2 C.F.R. § 180.530.
- ii. In general, an “excluded” party cannot receive a Federal grant award or a contract within the meaning of a “covered transaction,” to include subawards and subcontracts. This includes parties that receive Federal funding indirectly, such as contractors to recipients and subrecipients. The key to the exclusion is whether there is a “covered transaction,” which is any nonprocurement transaction (unless excepted) at either a “primary” or “secondary” tier. Although “covered transactions” do not include contracts awarded by the Federal Government for purposes of the nonprocurement common rule and DHS’s implementing regulations, it does include some contracts awarded by recipients and subrecipients.
- iii. Specifically, a covered transaction includes the following contracts for goods or services:
  1. The contract is awarded by a recipient or subrecipient in the amount of at least \$25,000.
  2. The contract requires the approval of FEMA, regardless of amount.
  3. The contract is for federally-required audit services.
  4. A subcontract is also a covered transaction if it is awarded by the contractor of a recipient or subrecipient and requires either the approval of FEMA or is in excess of \$25,000.

d. Suggested Language. The following provides a debarment and suspension

clause. It incorporates an optional method of verifying that contractors are not excluded or disqualified.

#### Suspension and Debarment

- (1) This contract is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such, the contractor is required to verify that none of the contractor's principals (defined at 2 C.F.R. § 180.995) or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).
- (2) The contractor must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.
- (3) This certification is a material representation of fact relied upon by **(insert name of recipient/subrecipient/applicant)**. If it is later determined that the contractor did not comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to **(insert name of recipient/subrecipient/applicant)**, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.
- (4) The bidder or proposer agrees to comply with the requirements of 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

#### **10. BYRD ANTI-LOBBYING AMENDMENT**

- a. **Standard.** Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, officer or employee of Congress, or an employee of a Member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. § 1352. FEMA's regulation at 44 C.F.R. Part 18 implements the requirements of 31 U.S.C. § 1352 and provides, in Appendix A to Part 18, a copy of the certification that is required to be completed by each entity as described in 31 U.S.C. § 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any

Federal award. Such disclosures are forwarded from tier to tier up to the Federal awarding agency.

- b. Applicability. This requirement applies to all FEMA grant and cooperative agreement programs. Contractors that apply or bid for a contract of \$100,000 or more under a federal grant must file the required certification. See 2 C.F.R. Part 200, Appendix II(I); 31 U.S.C. § 1352; and 44 C.F.R. Part 18.

- c. Suggested Language.

Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352 (as amended)

Contractors who apply or bid for an award of \$100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, officer or employee of Congress, or an employee of a Member of Congress in connection with obtaining any Federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient who in turn will forward the certification(s) to the awarding agency.

- d. Required Certification. If applicable, contractors must sign and submit to the non-federal entity the following certification.

APPENDIX A, 44 C.F.R. PART 18 – CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any

Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Contractor, \_\_\_\_\_, certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31 U.S.C. Chap. 38, Administrative Remedies for False Claims and Statements, apply to this certification and disclosure, if any.

\_\_\_\_\_  
Signature of Contractor's Authorized Official

\_\_\_\_\_  
Name and Title of Contractor's Authorized Official

\_\_\_\_\_  
Date



## 11. PROCUREMENT OF RECOVERED MATERIALS

- a. **Standard.** A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. See 2 C.F.R. Part 200, Appendix II(J); and 2 C.F.R. § 200.322.
- b. **Applicability.** This requirement applies to all contracts awarded by a non-federal entity under FEMA grant and cooperative agreement programs.
- c. **Requirements.** The requirements of Section 6002 include procuring only items designated in guidelines of the EPA at 40 C.F.R. Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired by the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.
- d. **Suggested Language.**
  - i. In the performance of this contract, the Contractor shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired—
    1. Competitively within a timeframe providing for compliance with the contract performance schedule;
    2. Meeting contract performance requirements; or
    3. At a reasonable price.
  - ii. Information about this requirement, along with the list of EPA-designated items, is available at EPA’s Comprehensive Procurement Guidelines web site, <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>.
  - iii. The Contractor also agrees to comply with all other applicable requirements of Section 6002 of the Solid Waste Disposal Act.”

## RECOMMENDED CONTRACT PROVISIONS

The Uniform Rules authorize FEMA to require additional provisions for non-Federal entity contracts. Although FEMA does not currently require additional provisions, **FEMA recommends** the following:

### 1. ACCESS TO RECORDS

- a. Standard. All recipients, subrecipients, successors, transferees, and assignees must acknowledge and agree to comply with applicable provisions governing DHS access to records, accounts, documents, information, facilities, and staff. Recipients must give DHS/FEMA access to, and the right to examine and copy, records, accounts, and other documents and sources of information related to the federal financial assistance award and permit access to facilities, personnel, and other individuals and information as may be necessary, as required by DHS regulations *and* other applicable laws or program guidance. See DHS Standard Terms and Conditions: Version 8.1 (2018). Additionally, Section 1225 of the Disaster Recovery Reform Act of 2018 prohibits FEMA from providing reimbursement to any state, local, tribal, or territorial government, or private non-profit for activities made pursuant to a contract that purports to prohibit audits or internal reviews by the FEMA administrator or Comptroller General.
- b. Suggested Language.

Access to Records. The following access to records requirements apply to this contract:

- (1) The Contractor agrees to provide (**insert name of state agency or local or Indian tribal government**), (**insert name of recipient**), the FEMA Administrator, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Contractor which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts, and transcriptions.
- (2) The Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.
- (3) The Contractor agrees to provide the FEMA Administrator or

his authorized representatives access to construction or other work sites pertaining to the work being completed under the contract.

(4) In compliance with the Disaster Recovery Act of 2018, the **(write in name of the non-federal entity)** and the Contractor acknowledge and agree that no language in this contract is intended to prohibit audits or internal reviews by the FEMA Administrator or the Comptroller General of the United States.

## 2. CHANGES

- a. Standard. To be eligible for FEMA assistance under the non-Federal entity's FEMA grant or cooperative agreement, the cost of the change, modification, change order, or constructive change must be allowable, allocable, within the scope of its grant or cooperative agreement, and reasonable for the completion of project scope.
- b. Applicability. FEMA recommends, therefore, that a non-Federal entity include a changes clause in its contract that describes how, if at all, changes can be made by either party to alter the method, price, or schedule of the work without breaching the contract. The language of the clause may differ depending on the nature of the contract and the end-item procured.

## 3. DHS SEAL, LOGO, AND FLAGS

- a. Standard. Recipients must obtain permission prior to using the DHS seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials. See DHS Standard Terms and Conditions: Version 8.1 (2018).
- b. Applicability. FEMA recommends that all non-Federal entities place in their contracts a provision that a contractor shall not use the DHS seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA pre-approval.
- c. Suggested Language.

“The contractor shall not use the DHS seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA pre-approval.”

#### 4. COMPLIANCE WITH FEDERAL LAW, REGULATIONS, AND EXECUTIVE ORDERS

- a. Standard. The recipient and its contractors are required to comply with all Federal laws, regulations, and executive orders.
- b. Applicability. FEMA recommends that all non-Federal entities place into their contracts an acknowledgement that FEMA financial assistance will be used to fund the contract along with the requirement that the contractor will comply with all applicable Federal law, regulations, executive orders, and FEMA policies, procedures, and directives.
- c. Suggested Language.

“This is an acknowledgement that FEMA financial assistance will be used to fund all or a portion of the contract. The contractor will comply with all applicable Federal law, regulations, executive orders, FEMA policies, procedures, and directives.”

#### 5. NO OBLIGATION BY FEDERAL GOVERNMENT

- a. Standard. FEMA is not a party to any transaction between the recipient and its contractor. FEMA is not subject to any obligations or liable to any party for any matter relating to the contract.
- b. Applicability. FEMA recommends that the non-Federal entity include a provision in its contract that states that the Federal Government is not a party to the contract and is not subject to any obligations or liabilities to the non-Federal entity, contractor, or any other party pertaining to any matter resulting from the contract.
- c. Suggested Language.

“The Federal Government is not a party to this contract and is not subject to any obligations or liabilities to the non-Federal entity, contractor, or any other party pertaining to any matter resulting from the contract.”

#### 6. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS

- a. Standard. Recipients must comply with the requirements of The False Claims Act (31 U.S.C. §§ 3729-3733) which prohibits the submission of false or

fraudulent claims for payment to the federal government. See DHS Standard Terms and Conditions: Version 8.1 (2018); and 31 U.S.C. §§ 3801-3812, which details the administrative remedies for false claims and statements made. The non-Federal entity must include a provision in its contract that the contractor acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to its actions pertaining to the contract.

- b. Applicability. FEMA recommends that the non-Federal entity include a provision in its contract that the contractor acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to its actions pertaining to the contract.
- c. Suggested Language.

“The Contractor acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to the Contractor’s actions pertaining to this contract.”

**Attachment J**  
**DHS OIG AUDIT ISSUES and ACKNOWLEDGEMENT**

**The Department of Homeland Security (DHS) Office of Inspector General (OIG) was tasked by Congress to audit all FEMA projects for fiscal year 2014. A synopsis of those findings are listed below:**

There have been 32 separate instances where Grantees/Recipients or Sub-Recipients did not follow the prescribed rules to the point that the OIG believed the below listed violations could have nullified the FEMA/State agreement.

1. Non-Competitive contracting practices.
2. Failure to include required contract provisions.
3. Failure to employ the required procedures to ensure that small, minority, and women's owned firms were all given fair consideration.
4. Improper "cost-plus-a-percentage-of-cost" contracting practices.

**The following information comes directly from DHS's OIG Audit Tips for Managing Disaster Related Project Costs; Report Number OIG-16-109-D dated July 1, 2016. The following may be reasons for the disallowance or total de-obligation of funding given under the FEMA/State agreement:**

1. Use of improper contracting practices.
2. Unsupported costs.
3. Poor project accounting.
4. Duplication of benefits.
5. Excessive equipment charges (applicability may vary with hazard mitigation projects).
6. Excessive labor and fringe benefit charges.
7. Unrelated project costs.
8. Direct Administrative Costs.
9. Failure to meet the requirement to obtain and maintain insurance.

**Key Points that *must* be followed when Administering FEMA Grants:**

- Designate one person to coordinate the accumulation of records.
- Establish a separate and distinct account for recording revenue and expenditures, and a separate identifier for each specific FEMA project.
- Ensure that the final claim for each project is supported by amounts recorded in the accounting system.
- Ensure that each expenditure is recorded in the accounting books and references supporting sources of documentation (checks, invoices, etc.) that can be readily retrieved.
- Research insurance coverage and seek reimbursement for the maximum amount. Credit the appropriate FEMA project with that amount.

- Check with your Federal Grant Program Coordinator about availability of funding under other Federal programs (Federal Highways, Housing and Urban Development, etc.) and ensure that the final project claim does not include costs that another Federal agency funded or could have funded.
- Ensure that materials taken from existing inventories for use on FEMA projects are documented by inventory withdrawal and usage records.
- Ensure that expenditures claimed under the FEMA project are reasonable, necessary, directly benefit the project, and are authorized under the "Scope of Work."

I acknowledge that I have received a copy of, and have been briefed on, the above DHS OIG Audit Issues.

Town of Lake Park, FL  
Sub-Recipient Agency

\_\_\_\_\_  
Date



\_\_\_\_\_  
Signature

Michael O'Rourke / Mayor  
Printed Name & Title

**Attachment K**  
**JUSTIFICATION FOR ADVANCE PAYMENT**

**RECIPIENT:**

If you are requesting an advance, indicate same by checking the box below.

<input type="checkbox"/> <b>ADVANCE REQUESTED</b>  Advance payment of \$ _____ is requested. Balance of payments will be made on a reimbursement basis. These funds are needed to pay pending obligations for eligible work. We would not be able to operate the program without this advance.
--

If you are requesting an advance, complete the following chart and line item justification below.

<b>BUDGET CATEGORY/LINE ITEMS (list applicable line items)</b>	<b>20__-20__ Anticipated Expenditures for First Three Months of Agreement</b>
<i>Example: PW#00001(0)</i>	<i>Contract Work \$1,500,000.00 (provide detailed justification).</i>
<b>TOTAL EXPENSES</b>	

**LINE ITEM JUSTIFICATION** (For each line item, provide a **detailed justification** explaining the need for the cash advance. The justification must include supporting documentation that clearly shows the advance **will be expended within the first ninety (90) days of the contract term**. Support documentation should include quotes for purchases, delivery timelines, salary and expense projections, etc. to provide the Division reasonable and necessary support that the advance will be expended within the first ninety (90) days of the contract term. Any advance funds not expended within the first ninety (90) days of the contract term must be returned to the Division Cashier, 2555 Shumard Oak Boulevard, Tallahassee, Florida 32399, within thirty (30) days of receipt, along with any interest earned on the advance).

---

---

---

---

---

---

---

---



# TAB 10



**Town of Lake Park Town Commission**

**Agenda Request Form**

**Meeting Date: August 5, 2020**

**Agenda Item No.**

**Agenda Title: Approval of Work Authorization to Hinterland Group, Inc. for Pipe Repairs at West Ilex Drive and Cypress Drive.**

- SPECIAL PRESENTATION/REPORTS  CONSENT AGENDA
- BOARD APPOINTMENT  OLD BUSINESS
- PUBLIC HEARING ORDINANCE ON \_\_\_\_\_ READING
- NEW BUSINESS
- OTHER: \_\_\_\_\_

**Approved by Town Manager** *[Signature]* **Date:** 7-6-2020  
*[Signature]* July 6, 2020

**Richard Scherle / Public Works Director**

<b>Originating Department:</b> <b>Public Works</b>	<b>Costs: \$30,649 + 10% contingency = \$33,713.90</b> Funding Source: Stormwater Fund – Repair and Maintenance Acct. # 402-46000 <input type="checkbox"/> Finance <u><i>[Signature]</i></u>	<b>Attachments:</b> <b>1. Proposals per Contract Pricing</b>
<b>Advertised:</b> Date: _____ Paper: _____ <input checked="" type="checkbox"/> Not Required	All parties that have an interest in this agenda item must be notified of meeting date and time. The following box must be filled out to be on agenda.	Yes I have notified everyone _____ OR <b>Not applicable in this case</b> _____ <b>Please initial one.</b>

**Summary Explanation/Background:**

Since the Stormwater rates were increased, the Public Works Department has been aggressively working to repair damaged and/or compromised Stormwater pipes at various locations across Town. This agenda item is seeking approval to expend up to \$33,713.90 of budgeted repair and maintenance funding to complete repairs to two compromised pipes as described below.

The first location is adjacent to 151 Cypress Drive, where during a regular operations and maintenance inspection,

the Stormwater Division's crews identified a leak to the 60" RCP pipe. We had the issue televised and assessed by our engineering teams. Plans were developed to install an internal joint seal at this location. This location carries an expected cost-to-repair of \$6,500.00.

The second location is located within the 700 block of West Ilex Drive. During a regular operations and maintenance inspection, staff identified leaks to nearly 300 feet of 24" RCP Stormwater pipes. We had the issue televised and assessed by our engineering teams. Plans were developed to install approximately 293 linear feet of CIPP on the leaking 24" RCP. This location carries an expected cost-to-repair of \$24,149.00.

In December of 2017, the Town entered into a Stormwater repair and maintenance agreement with Hinterland Group, Inc. The agreement is a five-year agreement that expires in 2021. Based upon the developed engineering designs, in July 2020 we solicited price proposals from Hinterland Group based upon our contract pricing. The two locations carry a combined cost of \$30,649.00, on top of which we are requesting a 10% contingency to allow for the remedy of possible unforeseen field conditions. Upon approval, the contractor will be immediately mobilized and work should be completed within two weeks after the repairs are started. Staff recommends approval.

**Recommended Motion: I move to approve this work authorization to Hinterland Group, Inc. for the aforementioned pipe repairs at two locations, per the terms and conditions of the Town's contract as executed in December, 2017.**



**Date Prepared:** 7/1/2020  
**Cost Estimate / Proposal:** 18-001-09  
**Customer Information:** Town of Lake Park

**Job Location:**

151 Cypress Drive

**Internal Job Number:** 18-0001-09

**Customer Job Number:** N/A

**Job Name:** 151 Cypress Drive - 60" Joint Seal

**Contract:** PBG Annual Storm

**Terms:** Contractual

Line Item	Unit Price	Unit	QTY	Total
Line Item 118 - Pressure Grout Injection (Internal Joint Seal option)	\$ 4,500.00	EA	1	\$ 4,500.00
Line Item 125 - MOT	\$ 1,000.00	EA	1	\$ 1,000.00
Line Item 126 - Mobilization	\$ 1,000.00	EA	1	\$ 1,000.00
				\$ -
				\$ -
				\$ -
				\$ -
<b>Grand Total</b>				<b>\$ 6,500.00</b>

Exclusions from Scope:

1. Permitting and Bonding
2. Any major MOT Required (road closures, lane closures, detours, etc.)
3. Sizes shown on plans are assumed to be correct
4. Hinterland Group will not be held liable for line collapse during clean and tv due to the unknown condition of existing piping
5. Any other work not specifically listed in inclusions above.
6. Hinterland is not responsible for pipe collapse during calcium deposit removal due to unknown conditions located in host pipe.

**NOTE:** Due to the fragile condition of the existing pipe(s), the possibility of the pipe collapsing exists during the construction phase. If this unlikely event occurs, we will provide you with an additional estimate for a necessary point repair to complete the lining process. Due to the poor condition of the original host pipe, residual settling may appear at the surface grade post lining. This condition is not covered under warrantee. Unforeseen conditions can affect the amount of time to complete the work, therefore increasing or decreasing estimate.

**Prepared By:** Brett Konchak  
 Hinterland Group Inc  
 2051 W Blue Heron Blvd  
 West Palm Beach, FL 33404

**Town of Lake Park** \_\_\_\_\_ agrees to the terms listed above.

**Accepted By:** \_\_\_\_\_  
**Print, Sign and Date:**



**Date Prepared:** 6/22/2020  
**Cost Estimate / Proposal:** 18-0001-10  
**Customer Information:** Town of Lake Park

<b>Job Location:</b>
West Ilex Drive

**Internal Job Number:** 18-0001-10

**Customer Job Number:** N/A  
**Job Name:** 704 to 722 W Ilex Dr - 18" CIPP Lining  
**Contract:** PBG Storm Annual  
**Terms:** Contractual

Line Item	Unit Price	Unit	QTY	Total
Line Item 1 - Storm Drain CCTV 0-48"	\$ 6.00	LF	233	\$ 1,398.00
Line Item 5 - 15" to 30" Plug Installation and Removal	\$ 1,000.00	EA	1	\$ 1,000.00
Line Item 23 - CIPP 18" Pipe 8.1 mm	\$ 65.00	LF	233	\$ 15,145.00
Line Item 71 - Cleaning and Sediment Removal 18" Pipe	\$ 1.00	LF	233	\$ 233.00
Line Item 84 - Specialty Cleaning	\$ 1.00	LF	233	\$ 233.00
Line Item 111 - De-Watering	\$ 65.00	HR	6	\$ 390.00
Line Item 120 - Sod Restoration	\$ 1.00	Sq.Ft.	250	\$ 250.00
Line Item 125 - MOT	\$ 1,000.00	EA	1	\$ 1,000.00
Line Item 126 - Mobilization	\$ 4,500.00	EA	1	\$ 4,500.00
				\$ -
<b>Grand Total</b>				<b>\$ 24,149.00</b>

**Exclusions from Scope:**

1. Permitting and Bonding
2. Any major MOT Required (road closures, lane closures, detours, etc.)
3. Sizes shown on plans are assumed to be correct
4. Hinterland Group will not be held liable for line collapse during clean and tv due to the unknown condition of existing piping
5. Any other work not specifically listed in inclusions above.
6. Hinterland is not responsible for pipe collapse during calcium deposit removal due to unknown conditions located in host pipe.

**NOTE:** Due to the fragile condition of the existing pipe(s), the possibility of the pipe collapsing exists during the construction phase. If this unlikely event occurs, we will provide you with an additional estimate for a necessary point repair to complete the lining process. Due to the poor condition of the original host pipe, residual settling may appear at the surface grade post lining. This condition is not covered under warrantee. Unforeseen conditions can affect the amount of time to complete the work, therefore increasing or decreasing estimate.

**Prepared By:** Brett Konchak  
 Hinterland Group Inc  
 2051 W Blue Heron Blvd  
 West Palm Beach, FL 33404

**Town of Lake Park** \_\_\_\_\_ agrees to the terms listed above.

**Accepted By:** \_\_\_\_\_

# TAB 11



**Town of Lake Park Town Commission**

**Agenda Request Form**

**Meeting Date: August 5, 2020**

**Agenda Item No.**

**Agenda Title: Notification of Emergency Procurement: Approval of the Strategic Marketing, Inc. Estimate for Production of the "We Are Open" Video for the Town and the Community Redevelopment Area**

- [ ] SPECIAL PRESENTATION/REPORTS  **CONSENT AGENDA**
- [ ] BOARD APPOINTMENT [ ] OLD BUSINESS
- [ ] PUBLIC HEARING ORDINANCE ON \_\_\_\_\_ READING
- [ ] NEW BUSINESS
- [ ] OTHER: \_\_\_\_\_

Approved by <sup>ACTING</sup> Town Manager *Bonnie McCallister* Date: 7/23/2020

Name/Title

<b>Originating Department:</b>  <b>TOWN MANAGER</b>	<b>Costs: \$7,000.00</b> Funding Source: 001-104-31000 \$3,500.00 110-520-31000 \$3,500.00  <input checked="" type="checkbox"/> Finance LCariseo	<b><u>Attachments:</u></b> <b>Copy of Approved Estimate</b>
<b>Advertised:</b> Date: _____ Paper: _____ <input checked="" type="checkbox"/> <b>Not Required</b>	All parties that have an interest in this agenda item must be notified of meeting date and time. The following box must be filled out to be on agenda.	Yes I have notified everyone _____ or <b><u>Not applicable in this case x</u></b> <b>Please initial one.</b>

**Summary Explanation/Background:**

Strategic Marketing, Inc. has submitted an estimate in the amount of \$7,000.00 for performance of a Scope of Services consisting of pre-production, production and post production services necessary for the preparation of a "We Are Open" video for the Town and for the Community Redevelopment Area (CRA). The purpose of such a video is to announce that following the closures resulting from the COVID-19 pandemic, the Town of Lake Park and the CRA are both open for business.

The purpose of this agenda item is to formally notify the Commission that pursuant to Ordinance 4-2020 establishing the state of emergency for the Town of Lake Park in view of the COVID-19 pandemic situation and as directed by the Town Manager, the Acting Town Manager approved the estimate submitted by Strategic Marketing, Inc. for the provision of the above services.

**Recommended Motion: N/A**



## Town of Lake Park

### Company Background

Strategic Marketing marked its 28th year in business in 2020, making us one of the most experienced and well-established full-service advertising, marketing and public relations agencies in South Florida. We have been ranked by the South Florida Business Journal among the top-25 largest agencies in South Florida, which include firms in Miami and Fort Lauderdale, for the past seven years. Although we have a strong foothold in South Florida, our clients are located throughout the U.S. and Canada.

Strategic Marketing has an extensive portfolio that includes a range of digital marketing solutions as well as traditional agency services, such as branding/logo development, collateral design, radio, print, public relations and video and film production, for which we have won numerous Addy and Telly awards. We have a seasoned staff that enables us to provide this full range of services in house.

### Executive Summary

The following document serves as a recommended scope for the "We Are Open" Lake Park video project. This is based on direction and production we will work with the Town staff for feedback along the way. As such, that feedback should not impact our pricing.

### Scope of Services

#### Pre-Production

- Script
- Shot list
- Coordinating and interviews

#### Production

- Two-day shoot
- One day of drone shooting

#### Post-Production

- 25 hours of post-production
- Digital delivery
- Music bed

Bambi  
McKibbon  
n-Turner

Digitally signed by Bambi  
McKibbon-Turner  
DN: cn=Bambi McKibbon-  
Turner, o=Town of Lake Park,  
ou=Assistant Town Manager/  
Human Resources Director,  
email=bturner@lakeparkflorida.  
gov, c=US  
Date: 2020.07.17 09:09:10  
-04'00'

**Cost: \$7,000**



# TAB 12



Town of Lake Park Town Commission

Agenda Request Form

Meeting Date: August 5, 2020

Agenda Item No.

**Agenda Title: Resolution Authorizing and Directing the Mayor to Sign the Grant Agreement with the Department of Environmental Protection for Funding Through Florida's Resilient Coastline Program (FRGP) for Seawall Survey and Assessment and Vulnerability Assessment of Infrastructure Along the Lake Worth Lagoon Waterfront**

- SPECIAL PRESENTATION/REPORTS  **CONSENT AGENDA**
- BOARD APPOINTMENT  OLD BUSINESS
- PUBLIC HEARING ORDINANCE ON \_\_\_\_\_ READING
- NEW BUSINESS
- OTHER: \_\_\_\_\_

Approved by Town Manager <sup>ACTING</sup> *Randy McMillan* Date: 7/24/2020  
*Mervell Angstreich, Grants Writer | Public Information Officer*

Name/Title

<b>Originating Department:</b>  <b>Town Manager (Grants Writer/PIO)</b>	<b>Costs:</b> Funding Source: Acct. # <input type="checkbox"/> Finance _____	<b>Attachments:</b> *Resolution No. <u>51</u> -08-20 *Contract
<b>Advertised:</b> Date: _____ Paper: _____ <input checked="" type="checkbox"/> Not Required	All parties that have an interest in this agenda item must be notified of meeting date and time. The following box must be filled out to be on agenda.	Yes I have notified everyone _____ or Not applicable in this case <u>MA</u> <b>Please initial one.</b>

**Summary Explanation/Background:** The Town of Lake Park has been awarded a grant of \$75,000 from the Department of Environmental Protection's Resilient Coastline Program. The grant is for a seawall survey and assessment and a vulnerability assessment of the infrastructure along the Lake Worth Lagoon waterfront.

The project to be funded through this grant will ascertain the height and internal structural condition of the existing seawall constructed throughout the Town's

development periods and determine the impact that an increasing sea level rise will have on the Town's residential and commercial waterfront and associated municipal infrastructure.

It is required that the Town enter into a grant agreement with the State of Florida Department of Environmental Protection for such grant. The purpose of this agenda item is to authorize and direct the Mayor to sign such agreement.

**Recommended Motion:** I move to approve Resolution No. 51 -08-20

**RESOLUTION NO. 51-08-20**

**A RESOLUTION OF THE TOWN COMMISSION OF  
THE TOWN OF LAKE PARK, FLORIDA TO  
AUTHORIZE THE MAYOR TO SIGN A GRANT  
AGREEMENT WITH THE DEPARTMENT OF  
ENVIRONMENTAL PROTECTION FOR SEAWALL  
AND INFRASTRUCTRE VULNERABILITY  
ASSESSMENTS AND PROVIDING FOR AN  
EFFECTIVE DATE**

**WHEREAS**, the Town of Lake Park (“Town”) is a municipal corporation of the State of Florida with such power and authority as has been conferred upon it by the Florida Constitution and Chapter 166, Florida Statutes; and

**WHEREAS**, the Town desires to implement strategies that will improve the quality of life for residents and visitors in the community; and

**WHEREAS**, the Department of Environmental Protection has granted the Town \$75,000 for the purpose of conducting sea wall and infrastructure vulnerability assessments; and

**WHEREAS**, it is necessary for the Town of Lake Park to enter into a grant agreement with the Department of Environmental Protection for such grant; and

**WHEREAS**, the Town Commission has reviewed the grant agreement and has determined that it is the best interest of the Town to authorize the Mayor to sign the grant agreement.

**NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COMMISSION  
OF THE TOWN OF LAKE PARK, FLORIDA:**

**SECTION 1.** The foregoing recitals are incorporated herein.

**SECTION 2.** The Town Commission hereby authorizes and directs the Mayor to sign the grant agreement with the Department of Environmental Protection, a copy of which is attached hereto as Exhibit A.

**SECTION 3.** This Resolution shall take effect immediately upon its adoption.

**STATE OF FLORIDA  
DEPARTMENT OF ENVIRONMENTAL PROTECTION  
Standard Grant Agreement**

This Agreement is entered into between the Parties named below, pursuant to Section 215.971, Florida Statutes:

1. Project Title (Project): **Coastal Vulnerability, Risk & Adaptation Analysis** Agreement Number: **R2110**

2. Parties **State of Florida Department of Environmental Protection,  
3900 Commonwealth Boulevard  
Tallahassee, Florida 32399-3000** (Department)

Grantee Name: **Town of Lake Park** Entity Type: **Local Government/Municipality**

Grantee Address: **535 Park Avenue, Lake Park, FL 33403** FEID: **F59-6000355 001** (Grantee)

3. Agreement Begin Date: **Upon Execution** Date of Expiration: **June 30, 2021**

4. Project Number: **R2110** Project Location(s): **Town of Lake Park**  
*(If different from Agreement Number)*

Project Description: **This project will develop a Resilience Plan, consisting of a vulnerability assessment and adaptation strategies for public assets and critical infrastructure.**

5. Total Amount of Funding:	Funding Source?	Award #s or Line Item Appropriations:	Amount per Source(s):
<b>\$75,000.00</b>	<input checked="" type="checkbox"/> State <input type="checkbox"/> Federal	<b>CSFA# 37.098</b>	<b>\$75,000.00</b>
	<input type="checkbox"/> State <input type="checkbox"/> Federal		
	<input type="checkbox"/> Grantee Match		

Total Amount of Funding + Grantee Match, if any: **\$75,000.00**

6. Department's Grant Manager Name: **Whitney Gray** or successor Grantee's Grant Manager Name: **Richard Scherle** or successor

Address: **3900 Commonwealth Blvd.  
MS235  
Tallahassee, FL 32399** Address: **535 Park Avenue  
Lake Park, FL 33403**

Phone: **850-245-2098** Phone: **561-881-3345**

Email: **Whitney.Gray@FloridaDEP.gov** Email: **rscherle@lakeparkflorida.gov**

7. The Parties agree to comply with the terms and conditions of the following attachments and exhibits which are hereby incorporated by reference:

<input checked="" type="checkbox"/> Attachment 1: Standard Terms and Conditions Applicable to All Grants Agreements
<input checked="" type="checkbox"/> Attachment 2: Special Terms and Conditions
<input checked="" type="checkbox"/> Attachment 3: Grant Work Plan
<input checked="" type="checkbox"/> Attachment 4: Public Records Requirements
<input checked="" type="checkbox"/> Attachment 5: Special Audit Requirements
<input checked="" type="checkbox"/> Attachment 6: Program-Specific Requirements
<input type="checkbox"/> Attachment 7: Grant Award Terms (Federal) *Copy available at <a href="https://facts.fldfs.com">https://facts.fldfs.com</a> , in accordance with §215.985, F.S.
<input type="checkbox"/> Attachment 8: Federal Regulations and Terms (Federal)
<input type="checkbox"/> Additional Attachments (if necessary):
<input checked="" type="checkbox"/> Exhibit A: Progress Report Form
<input type="checkbox"/> Exhibit B: Property Reporting Form
<input checked="" type="checkbox"/> Exhibit C: Payment Request Summary Form
<input type="checkbox"/> Exhibit D: Quality Assurance Requirements for Grants
<input type="checkbox"/> Exhibit E: Advance Payment Terms and Interest Earned Memo
<input checked="" type="checkbox"/> Additional Exhibits (if necessary): <b>Exhibit F: Final Report Form, Exhibit G: Photographer Release Form</b>

8. The following information applies to Federal Grants only and is identified in accordance with 2 CFR 200.331(a)(1):

Federal Award Identification Number(s) (FAIN):	
Federal Award Date to Department:	
Total Federal Funds Obligated by this Agreement:	
Federal Awarding Agency:	
Award R&D?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> N/A

**IN WITNESS WHEREOF, this Agreement shall be effective on the date indicated by the Agreement Begin Date above or the last date signed below, whichever is later.**

**Town of Lake Park**

**GRANTEE**

Grantee Name

By

*(Authorized Signature)*

Date Signed

Print Name and Title of Person Signing

**State of Florida Department of Environmental Protection**

**DEPARTMENT**

By

Secretary or Designee

Date Signed

Print Name and Title of Person Signing

**LEGAL REVIEWING ENTITY**

By

*(Authorized Signature)*

Date Signed

Print Name and Title of Person Signing

Additional signatures attached on separate page.

**STATE OF FLORIDA  
DEPARTMENT OF ENVIRONMENTAL PROTECTION  
STANDARD TERMS AND CONDITIONS  
APPLICABLE TO GRANT AGREEMENTS**

**ATTACHMENT 1**

**1. Entire Agreement.**

This Grant Agreement, including any Attachments and Exhibits referred to herein and/or attached hereto (Agreement), constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, whether written or oral, with respect to such subject matter. Any terms and conditions included on Grantee's forms or invoices shall be null and void.

**2. Grant Administration.**

- a. Order of Precedence. If there are conflicting provisions among the documents that make up the Agreement, the order of precedence for interpretation of the Agreement is as follows:
- i. Standard Grant Agreement
  - ii. Attachments other than Attachment 1, in numerical order as designated in the Standard Grant Agreement
  - iii. Attachment 1, Standard Terms and Conditions
  - iv. The Exhibits in the order designated in the Standard Grant Agreement
- b. All approvals, written or verbal, and other written communication among the parties, including all notices, shall be obtained by or sent to the parties' Grant Managers. All written communication shall be by electronic mail, U.S. Mail, a courier delivery service, or delivered in person. Notices shall be considered delivered when reflected by an electronic mail read receipt, a courier service delivery receipt, other mail service delivery receipt, or when receipt is acknowledged by recipient. If the notice is delivered in multiple ways, the notice will be considered delivered at the earliest delivery time.
- c. If a different Grant Manager is designated by either party after execution of this Agreement, notice of the name and contact information of the new Grant Manager will be submitted in writing to the other party and maintained in the respective parties' records. A change of Grant Manager does not require a formal amendment or change order to the Agreement.
- d. This Agreement may be amended, through a formal amendment or a change order, only by a written agreement between both parties. A formal amendment to this Agreement is required for changes which cause any of the following: (1) an increase or decrease in the Agreement funding amount; (2) a change in Grantee's match requirements; (3) a change in the expiration date of the Agreement; and/or (4) changes to the cumulative amount of funding transfers between approved budget categories, as defined in Attachment 3, Grant Work Plan, that exceeds or is expected to exceed twenty percent (20%) of the total budget as last approved by Department. A change order to this Agreement may be used when: (1) task timelines within the current authorized Agreement period change; (2) the cumulative transfer of funds between approved budget categories, as defined in Attachment 3, Grant Work Plan, are less than twenty percent (20%) of the total budget as last approved by Department; and/or (3) fund transfers between budget categories for the purposes of meeting match requirements. This Agreement may be amended to provide for additional services if additional funding is made available by the Legislature.
- e. All days in this Agreement are calendar days unless otherwise specified.

**3. Agreement Duration.**

The term of the Agreement shall begin and end on the dates indicated in the Standard Grant Agreement, unless extended or terminated earlier in accordance with the applicable terms and conditions. The Grantee shall be eligible for reimbursement for work performed on or after the date of execution through the expiration date of this Agreement, unless otherwise specified in Attachment 2, Special Terms and Conditions. However, work performed prior to the execution of this Agreement may be reimbursable or used for match purposes if permitted by the Special Terms and Conditions.

**4. Deliverables.**

The Grantee agrees to render the services or other units of deliverables as set forth in Attachment 3, Grant Work Plan. The services or other units of deliverables shall be delivered in accordance with the schedule and at the pricing outlined in the Grant Work Plan. Deliverables may be comprised of activities that must be completed prior to Department making payment on that deliverable. The Grantee agrees to perform in accordance with the terms and conditions set forth in this Agreement and all attachments and exhibits incorporated by the Standard Grant Agreement.

## **5. Performance Measures.**

The Grantee warrants that: (1) the services will be performed by qualified personnel; (2) the services will be of the kind and quality described in the Grant Work Plan; (3) the services will be performed in a professional and workmanlike manner in accordance with industry standards and practices; (4) the services shall not and do not knowingly infringe upon the intellectual property rights, or any other proprietary rights, of any third party; and (5) its employees, subcontractors, and/or subgrantees shall comply with any security and safety requirements and processes, if provided by Department, for work done at the Project Location(s). The Department reserves the right to investigate or inspect at any time to determine whether the services or qualifications offered by Grantee meet the Agreement requirements. Notwithstanding any provisions herein to the contrary, written acceptance of a particular deliverable does not foreclose Department's remedies in the event deficiencies in the deliverable cannot be readily measured at the time of delivery.

## **6. Acceptance of Deliverables.**

- a. Acceptance Process. All deliverables must be received and accepted in writing by Department's Grant Manager before payment. The Grantee shall work diligently to correct all deficiencies in the deliverable that remain outstanding, within a reasonable time at Grantee's expense. If Department's Grant Manager does not accept the deliverables within 30 days of receipt, they will be deemed rejected.
- b. Rejection of Deliverables. The Department reserves the right to reject deliverables, as outlined in the Grant Work Plan, as incomplete, inadequate, or unacceptable due, in whole or in part, to Grantee's lack of satisfactory performance under the terms of this Agreement. The Grantee's efforts to correct the rejected deliverables will be at Grantee's sole expense. Failure to fulfill the applicable technical requirements or complete all tasks or activities in accordance with the Grant Work Plan will result in rejection of the deliverable and the associated invoice. Payment for the rejected deliverable will not be issued unless the rejected deliverable is made acceptable to Department in accordance with the Agreement requirements. The Department, at its option, may allow additional time within which Grantee may remedy the objections noted by Department. The Grantee's failure to make adequate or acceptable deliverables after a reasonable opportunity to do so shall constitute an event of default.

## **7. Financial Consequences for Nonperformance.**

- a. Withholding Payment. In addition to the specific consequences explained in the Grant Work Plan and/or Special Terms and Conditions, the State of Florida (State) reserves the right to withhold payment when the Grantee has failed to perform/comply with provisions of this Agreement. None of the financial consequences for nonperformance in this Agreement as more fully described in the Grant Work Plan shall be considered penalties.
- b. Corrective Action Plan. If Grantee fails to correct all the deficiencies in a rejected deliverable within the specified timeframe, Department may, in its sole discretion, request that a proposed Corrective Action Plan (CAP) be submitted by Grantee to Department. The Department requests that Grantee specify the outstanding deficiencies in the CAP. All CAPs must be able to be implemented and performed in no more than sixty (60) calendar days.
  - i. The Grantee shall submit a CAP within ten (10) days of the date of the written request from Department. The CAP shall be sent to the Department's Grant Manager for review and approval. Within ten (10) days of receipt of a CAP, Department shall notify Grantee in writing whether the CAP proposed has been accepted. If the CAP is not accepted, Grantee shall have ten (10) days from receipt of Department letter rejecting the proposal to submit a revised proposed CAP. Failure to obtain Department approval of a CAP as specified above may result in Department's termination of this Agreement for cause as authorized in this Agreement.
  - ii. Upon Department's notice of acceptance of a proposed CAP, Grantee shall have ten (10) days to commence implementation of the accepted plan. Acceptance of the proposed CAP by Department does not relieve Grantee of any of its obligations under the Agreement. In the event the CAP fails to correct or eliminate performance deficiencies by Grantee, Department shall retain the right to require additional or further remedial steps, or to terminate this Agreement for failure to perform. No actions approved by Department or steps taken by Grantee shall preclude Department from subsequently asserting any deficiencies in performance. The Grantee shall continue to implement the CAP until all deficiencies are corrected. Reports on the progress of the CAP will be made to Department as requested by Department's Grant Manager.
  - iii. Failure to respond to a Department request for a CAP or failure to correct a deficiency in the performance of the Agreement as specified by Department may result in termination of the Agreement.



**8. Payment.**

- a. Payment Process. Subject to the terms and conditions established by the Agreement, the pricing per deliverable established by the Grant Work Plan, and the billing procedures established by Department, Department agrees to pay Grantee for services rendered in accordance with Section 215.422, Florida Statutes (F.S.).
- b. Taxes. The Department is exempted from payment of State sales, use taxes and Federal excise taxes. The Grantee, however, shall not be exempted from paying any taxes that it is subject to, including State sales and use taxes, or for payment by Grantee to suppliers for taxes on materials used to fulfill its contractual obligations with Department. The Grantee shall not use Department's exemption number in securing such materials. The Grantee shall be responsible and liable for the payment of all its FICA/Social Security and other taxes resulting from this Agreement.
- c. Maximum Amount of Agreement. The maximum amount of compensation under this Agreement, without an amendment, is described in the Standard Grant Agreement. Any additional funds necessary for the completion of this Project are the responsibility of Grantee.
- d. Reimbursement for Costs. The Grantee shall be paid on a cost reimbursement basis for all eligible Project costs upon the completion, submittal, and approval of each deliverable identified in the Grant Work Plan. Reimbursement shall be requested on Exhibit C, Payment Request Summary Form. To be eligible for reimbursement, costs must be in compliance with laws, rules, and regulations applicable to expenditures of State funds, including, but not limited to, the Reference Guide for State Expenditures, which can be accessed at the following web address:
- e. [https://www.myfloridacfo.com/Division/AA/Manuals/Auditing/Reference\\_Guide\\_For\\_State\\_Expenditures.pdf](https://www.myfloridacfo.com/Division/AA/Manuals/Auditing/Reference_Guide_For_State_Expenditures.pdf).
- f. Invoice Detail. All charges for services rendered or for reimbursement of expenses authorized by Department pursuant to the Grant Work Plan shall be submitted to Department in sufficient detail for a proper pre-audit and post-audit to be performed. The Grantee shall only invoice Department for deliverables that are completed in accordance with the Grant Work Plan.
- g. Interim Payments. Interim payments may be made by Department, at its discretion, if the completion of deliverables to date have first been accepted in writing by Department's Grant Manager.
- h. Final Payment Request. A final payment request should be submitted to Department no later than sixty (60) days following the expiration date of the Agreement to ensure the availability of funds for payment. However, all work performed pursuant to the Grant Work Plan must be performed on or before the expiration date of the Agreement.
- i. Annual Appropriation Contingency. The State's performance and obligation to pay under this Agreement is contingent upon an annual appropriation by the Legislature. This Agreement is not a commitment of future appropriations. Authorization for continuation and completion of work and any associated payments may be rescinded, with proper notice, at the discretion of Department if the Legislature reduces or eliminates appropriations.
- j. Interest Rates. All interest rates charged under the Agreement shall be calculated on the prevailing rate used by the State Board of Administration. To obtain the applicable interest rate, please refer to: [www.myfloridacfo.com/Division/AA/Vendors/default.htm](http://www.myfloridacfo.com/Division/AA/Vendors/default.htm).
- k. Refund of Payments to the Department. Any balance of unobligated funds that have been advanced or paid must be refunded to Department. Any funds paid in excess of the amount to which Grantee or subgrantee is entitled under the terms of the Agreement must be refunded to Department. If this Agreement is funded with federal funds and the Department is required to refund the federal government, the Grantee shall refund the Department its share of those funds.

**9. Documentation Required for Cost Reimbursement Grant Agreements and Match.**

If Cost Reimbursement or Match is authorized in Attachment 2, Special Terms and Conditions, the following conditions apply. Supporting documentation must be provided to substantiate cost reimbursement or match requirements for the following budget categories:

- a. Salary/Wages. Grantee shall list personnel involved, position classification, direct salary rates, and hours spent on the Project in accordance with Attachment 3, Grant Work Plan in their documentation for reimbursement or match requirements.
- b. Overhead/Indirect/General and Administrative Costs. If Grantee is being reimbursed for or claiming match for multipliers, all multipliers used (i.e., fringe benefits, overhead, indirect, and/or general and administrative rates) shall be supported by audit. If Department determines that multipliers charged by Grantee exceeded the rates supported by audit, Grantee shall be required to reimburse such funds to Department within thirty (30) days of written notification. Interest shall be charged on the excessive rate.

- c. **Contractual Costs (Subcontractors).** Match or reimbursement requests for payments to subcontractors must be substantiated by copies of invoices with backup documentation identical to that required from Grantee. Subcontracts which involve payments for direct salaries shall clearly identify the personnel involved, salary rate per hour, and hours spent on the Project. All eligible multipliers used (i.e., fringe benefits, overhead, indirect, and/or general and administrative rates) shall be supported by audit. If Department determines that multipliers charged by any subcontractor exceeded the rates supported by audit, Grantee shall be required to reimburse such funds to Department within thirty (30) days of written notification. Interest shall be charged on the excessive rate. Nonconsumable and/or nonexpendable personal property or equipment costing \$1,000 or more purchased for the Project under a subcontract is subject to the requirements set forth in Chapters 273 and/or 274, F.S., and Chapter 691-72, Florida Administrative Code (F.A.C.) and/or Chapter 691-73, F.A.C., as applicable. The Grantee shall be responsible for maintaining appropriate property records for any subcontracts that include the purchase of equipment as part of the delivery of services. The Grantee shall comply with this requirement and ensure its subcontracts issued under this Agreement, if any, impose this requirement, in writing, on its subcontractors.
- i. For fixed-price (vendor) subcontracts, the following provisions shall apply: The Grantee may award, on a competitive basis, fixed-price subcontracts to consultants/contractors in performing the work described in Attachment 3, Grant Work Plan. Invoices submitted to Department for fixed-price subcontracted activities shall be supported with a copy of the subcontractor's invoice and a copy of the tabulation form for the competitive procurement process (e.g., Invitation to Bid, Request for Proposals, or other similar competitive procurement document) resulting in the fixed-price subcontract. The Grantee may request approval from Department to award a fixed-price subcontract resulting from procurement methods other than those identified above. In this instance, Grantee shall request the advance written approval from Department's Grant Manager of the fixed price negotiated by Grantee. The letter of request shall be supported by a detailed budget and Scope of Services to be performed by the subcontractor. Upon receipt of Department Grant Manager's approval of the fixed-price amount, Grantee may proceed in finalizing the fixed-price subcontract.
  - ii. If the procurement is subject to the Consultant's Competitive Negotiation Act under section 287.055, F.S. or the Brooks Act, Grantee must provide documentation clearly evidencing it has complied with the statutory or federal requirements.
- d. **Travel.** All requests for match or reimbursement of travel expenses shall be in accordance with Section 112.061, F.S.
- e. **Direct Purchase Equipment.** For the purposes of this Agreement, Equipment is defined as capital outlay costing \$1,000 or more. Match or reimbursement for Grantee's direct purchase of equipment is subject to specific approval of Department, and does not include any equipment purchased under the delivery of services to be completed by a subcontractor. Include copies of invoices or receipts to document purchases, and a properly completed Exhibit B, Property Reporting Form.
- f. **Rental/Lease of Equipment.** Match or reimbursement requests for rental/lease of equipment must include copies of invoices or receipts to document charges.
- g. **Miscellaneous/Other Expenses.** If miscellaneous or other expenses, such as materials, supplies, non-excluded phone expenses, reproduction, or mailing, are reimbursable or available for match or reimbursement under the terms of this Agreement, the documentation supporting these expenses must be itemized and include copies of receipts or invoices. Additionally, independent of Grantee's contract obligations to its subcontractor, Department shall not reimburse any of the following types of charges: cell phone usage; attorney's fees or court costs; civil or administrative penalties; or handling fees, such as set percent overages associated with purchasing supplies or equipment.
- h. **Land Acquisition.** Reimbursement for the costs associated with acquiring interest and/or rights to real property (including access rights through ingress/egress easements, leases, license agreements, or other site access agreements; and/or obtaining record title ownership of real property through purchase) must be supported by the following, as applicable: Copies of Property Appraisals, Environmental Site Assessments, Surveys and Legal Descriptions, Boundary Maps, Acreage Certification, Title Search Reports, Title Insurance, Closing Statements/Documents, Deeds, Leases, Easements, License Agreements, or other legal instrument documenting acquired property interest and/or rights. If land acquisition costs are used to meet match requirements, Grantee agrees that those funds shall not be used as match for any other Agreement supported by State or Federal funds.
- 10. Status Reports.**  
The Grantee shall submit status reports quarterly, unless otherwise specified in the Attachments, on Exhibit A, Progress Report Form, to Department's Grant Manager describing the work performed during the reporting period, problems encountered, problem resolutions, scheduled updates, and proposed work for the next reporting

period. Quarterly status reports are due no later than twenty (20) days following the completion of the quarterly reporting period. For the purposes of this reporting requirement, the quarterly reporting periods end on March 31, June 30, September 30 and December 31. The Department will review the required reports submitted by Grantee within thirty (30) days.

**11. Retainage.**

The following provisions apply if Department withholds retainage under this Agreement:

- a. The Department reserves the right to establish the amount and application of retainage on the work performed under this Agreement up to the maximum percentage described in Attachment 2, Special Terms and Conditions. Retainage may be withheld from each payment to Grantee pending satisfactory completion of work and approval of all deliverables.
- b. If Grantee fails to perform the requested work, or fails to perform the work in a satisfactory manner, Grantee shall forfeit its right to payment of the retainage associated with the work. Failure to perform includes, but is not limited to, failure to submit the required deliverables or failure to provide adequate documentation that the work was actually performed. The Department shall provide written notification to Grantee of the failure to perform that shall result in retainage forfeiture. If the Grantee does not correct the failure to perform within the timeframe stated in Department's notice, the retainage will be forfeited to Department.
- c. No retainage shall be released or paid for incomplete work while this Agreement is suspended.
- d. Except as otherwise provided above, Grantee shall be paid the retainage associated with the work, provided Grantee has completed the work and submits an invoice for retainage held in accordance with the invoicing procedures under this Agreement.

**12. Insurance.**

- a. Insurance Requirements for Sub-Grantees and/or Subcontractors. The Grantee shall require its sub-grantees and/or subcontractors, if any, to maintain insurance coverage of such types and with such terms and limits as described in this Agreement. The Grantee shall require all its sub-grantees and/or subcontractors, if any, to make compliance with the insurance requirements of this Agreement a condition of all contracts that are related to this Agreement. Sub-grantees and/or subcontractors must provide proof of insurance upon request.
- b. Deductibles. The Department shall be exempt from, and in no way liable for, any sums of money representing a deductible in any insurance policy. The payment of such deductible shall be the sole responsibility of the Grantee providing such insurance.
- c. Proof of Insurance. Upon execution of this Agreement, Grantee shall provide Department documentation demonstrating the existence and amount for each type of applicable insurance coverage *prior to* performance of any work under this Agreement. Upon receipt of written request from Department, Grantee shall furnish Department with proof of applicable insurance coverage by standard form certificates of insurance, a self-insured authorization, or other certification of self-insurance.
- d. Duty to Maintain Coverage. In the event that any applicable coverage is cancelled by the insurer for any reason, or if Grantee cannot get adequate coverage, Grantee shall immediately notify Department of such cancellation and shall obtain adequate replacement coverage conforming to the requirements herein and provide proof of such replacement coverage within ten (10) days after the cancellation of coverage.

**13. Termination.**

- a. Termination for Convenience. When it is in the State's best interest, Department may, at its sole discretion, terminate the Agreement in whole or in part by giving 30 days' written notice to Grantee. The Department shall notify Grantee of the termination for convenience with instructions as to the effective date of termination or the specific stage of work at which the Agreement is to be terminated. The Grantee must submit all invoices for work to be paid under this Agreement within thirty (30) days of the effective date of termination. The Department shall not pay any invoices received after thirty (30) days of the effective date of termination.
- b. Termination for Cause. The Department may terminate this Agreement if any of the events of default described in the Events of Default provisions below occur or in the event that Grantee fails to fulfill any of its other obligations under this Agreement. If, after termination, it is determined that Grantee was not in default, or that the default was excusable, the rights and obligations of the parties shall be the same as if the termination had been issued for the convenience of Department. The rights and remedies of Department in this clause are in addition to any other rights and remedies provided by law or under this Agreement.
- c. Grantee Obligations upon Notice of Termination. After receipt of a notice of termination or partial termination unless as otherwise directed by Department, Grantee shall not furnish any service or deliverable on the date, and to the extent specified, in the notice. However, Grantee shall continue work on any portion of the Agreement not terminated. If the Agreement is terminated before performance is completed, Grantee shall be paid only for

that work satisfactorily performed for which costs can be substantiated. The Grantee shall not be entitled to recover any cancellation charges or lost profits.

- d. Continuation of Prepaid Services. If Department has paid for any services prior to the expiration, cancellation, or termination of the Agreement, Grantee shall continue to provide Department with those services for which it has already been paid or, at Department's discretion, Grantee shall provide a refund for services that have been paid for but not rendered.
- e. Transition of Services Upon Termination, Expiration, or Cancellation of the Agreement. If services provided under the Agreement are being transitioned to another provider(s), Grantee shall assist in the smooth transition of Agreement services to the subsequent provider(s). This requirement is at a minimum an affirmative obligation to cooperate with the new provider(s), however additional requirements may be outlined in the Grant Work Plan. The Grantee shall not perform any services after Agreement expiration or termination, except as necessary to complete the transition or continued portion of the Agreement, if any.

#### **14. Notice of Default.**

If Grantee defaults in the performance of any covenant or obligation contained in the Agreement, including, any of the events of default, Department shall provide notice to Grantee and an opportunity to cure that is reasonable under the circumstances. This notice shall state the nature of the failure to perform and provide a time certain for correcting the failure. The notice will also provide that, should the Grantee fail to perform within the time provided, Grantee will be found in default, and Department may terminate the Agreement effective as of the date of receipt of the default notice.

#### **15. Events of Default.**

Provided such failure is not the fault of Department or outside the reasonable control of Grantee, the following non-exclusive list of events, acts, or omissions, shall constitute events of default:

- a. The commitment of any material breach of this Agreement by Grantee, including failure to timely deliver a material deliverable, failure to perform the minimal level of services required for a deliverable, discontinuance of the performance of the work, failure to resume work that has been discontinued within a reasonable time after notice to do so, or abandonment of the Agreement;
- b. The commitment of any material misrepresentation or omission in any materials, or discovery by the Department of such, made by the Grantee in this Agreement or in its application for funding;
- c. Failure to submit any of the reports required by this Agreement or having submitted any report with incorrect, incomplete, or insufficient information;
- d. Failure to honor any term of the Agreement;
- e. Failure to abide by any statutory, regulatory, or licensing requirement, including an entry of an order revoking the certificate of authority granted to the Grantee by a state or other licensing authority;
- f. Failure to pay any and all entities, individuals, and furnishing labor or materials, or failure to make payment to any other entities as required by this Agreement;
- g. Employment of an unauthorized alien in the performance of the work, in violation of Section 274 (A) of the Immigration and Nationality Act;
- h. Failure to maintain the insurance required by this Agreement;
- i. One or more of the following circumstances, uncorrected for more than thirty (30) days unless, within the specified 30-day period, Grantee (including its receiver or trustee in bankruptcy) provides to Department adequate assurances, reasonably acceptable to Department, of its continuing ability and willingness to fulfill its obligations under the Agreement:
  - i. Entry of an order for relief under Title 11 of the United States Code;
  - ii. The making by Grantee of a general assignment for the benefit of creditors;
  - iii. The appointment of a general receiver or trustee in bankruptcy of Grantee's business or property; and/or
  - iv. An action by Grantee under any state insolvency or similar law for the purpose of its bankruptcy, reorganization, or liquidation.

#### **16. Suspension of Work.**

The Department may, in its sole discretion, suspend any or all activities under the Agreement, at any time, when it is in the best interest of the State to do so. The Department shall provide Grantee written notice outlining the particulars of suspension. Examples of reasons for suspension include, but are not limited to, budgetary constraints, declaration of emergency, or other such circumstances. After receiving a suspension notice, Grantee shall comply with the notice. Within 90 days, or any longer period agreed to by the parties, Department shall either: (1) issue a notice authorizing resumption of work, at which time activity shall resume; or (2) terminate the Agreement. If the Agreement is terminated after 30 days of suspension, the notice of suspension shall be deemed to satisfy the thirty (30) days' notice

required for a notice of termination for convenience. Suspension of work shall not entitle Grantee to any additional compensation.

**17. Force Majeure.**

The Grantee shall not be responsible for delay resulting from its failure to perform if neither the fault nor the negligence of Grantee or its employees or agents contributed to the delay and the delay is due directly to acts of God, wars, acts of public enemies, strikes, fires, floods, or other similar cause wholly beyond Grantee's control, or for any of the foregoing that affect subcontractors or suppliers if no alternate source of supply is available to Grantee. In case of any delay Grantee believes is excusable, Grantee shall notify Department in writing of the delay or potential delay and describe the cause of the delay either (1) within ten days after the cause that creates or will create the delay first arose, if Grantee could reasonably foresee that a delay could occur as a result; or (2) if delay is not reasonably foreseeable, within five days after the date Grantee first had reason to believe that a delay could result. **THE FOREGOING SHALL CONSTITUTE THE GRANTEE'S SOLE REMEDY OR EXCUSE WITH RESPECT TO DELAY.** Providing notice in strict accordance with this paragraph is a condition precedent to such remedy. No claim for damages, other than for an extension of time, shall be asserted against Department. The Grantee shall not be entitled to an increase in the Agreement price or payment of any kind from Department for direct, indirect, consequential, impact or other costs, expenses or damages, including but not limited to costs of acceleration or inefficiency, arising because of delay, disruption, interference, or hindrance from any cause whatsoever. If performance is suspended or delayed, in whole or in part, due to any of the causes described in this paragraph, after the causes have ceased to exist Grantee shall perform at no increased cost, unless Department determines, in its sole discretion, that the delay will significantly impair the value of the Agreement to Department, in which case Department may: (1) accept allocated performance or deliveries from Grantee, provided that Grantee grants preferential treatment to Department with respect to products subjected to allocation; (2) contract with other sources (without recourse to and by Grantee for the related costs and expenses) to replace all or part of the products or services that are the subject of the delay, which purchases may be deducted from the Agreement quantity; or (3) terminate Agreement in whole or in part.

**18. Indemnification.**

- a. The Grantee shall be fully liable for the actions of its agents, employees, partners, or subcontractors and shall fully indemnify, defend, and hold harmless Department and its officers, agents, and employees, from suits, actions, damages, and costs of every name and description arising from or relating to:
  - i. personal injury and damage to real or personal tangible property alleged to be caused in whole or in part by Grantee, its agents, employees, partners, or subcontractors; provided, however, that Grantee shall not indemnify for that portion of any loss or damages proximately caused by the negligent act or omission of Department;
  - ii. the Grantee's breach of this Agreement or the negligent acts or omissions of Grantee.
- b. The Grantee's obligations under the preceding paragraph with respect to any legal action are contingent upon Department giving Grantee: (1) written notice of any action or threatened action; (2) the opportunity to take over and settle or defend any such action at Grantee's sole expense; and (3) assistance in defending the action at Grantee's sole expense. The Grantee shall not be liable for any cost, expense, or compromise incurred or made by Department in any legal action without Grantee's prior written consent, which shall not be unreasonably withheld.
- c. Notwithstanding sections a. and b. above, the following is the sole indemnification provision that applies to Grantees that are governmental entities: Each party hereto agrees that it shall be solely responsible for the negligent or wrongful acts of its employees and agents. However, nothing contained herein shall constitute a waiver by either party of its sovereign immunity or the provisions of Section 768.28, F.S. Further, nothing herein shall be construed as consent by a state agency or subdivision of the State to be sued by third parties in any matter arising out of any contract or this Agreement.
- d. No provision in this Agreement shall require Department to hold harmless or indemnify Grantee, insure or assume liability for Grantee's negligence, waive Department's sovereign immunity under the laws of Florida, or otherwise impose liability on Department for which it would not otherwise be responsible. Any provision, implication or suggestion to the contrary is null and void.

**19. Limitation of Liability.**

The Department's liability for any claim arising from this Agreement is limited to compensatory damages in an amount no greater than the sum of the unpaid balance of compensation due for goods or services rendered pursuant to and in compliance with the terms of the Agreement. Such liability is further limited to a cap of \$100,000.

**20. Remedies.**

Nothing in this Agreement shall be construed to make Grantee liable for force majeure events. Nothing in this Agreement, including financial consequences for nonperformance, shall limit Department's right to pursue its remedies for other types of damages under the Agreement, at law or in equity. The Department may, in addition to other remedies available to it, at law or in equity and upon notice to Grantee, retain such monies from amounts due Grantee as may be necessary to satisfy any claim for damages, penalties, costs and the like asserted by or against it.

**21. Waiver.**

The delay or failure by Department to exercise or enforce any of its rights under this Agreement shall not constitute or be deemed a waiver of Department's right thereafter to enforce those rights, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.

**22. Statutory Notices Relating to Unauthorized Employment and Subcontracts.**

- a. The Department shall consider the employment by any Grantee of unauthorized aliens a violation of Section 274A(e) of the Immigration and Nationality Act. If Grantee/subcontractor knowingly employs unauthorized aliens, such violation shall be cause for unilateral cancellation of this Agreement. The Grantee shall be responsible for including this provision in all subcontracts with private organizations issued as a result of this Agreement.
- b. Pursuant to Sections 287.133 and 287.134, F.S., the following restrictions apply to persons placed on the convicted vendor list or the discriminatory vendor list:
  - i. Public Entity Crime. A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids, proposals, or replies on leases of real property to a public entity; may not be awarded or perform work as a Grantee, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, F.S., for CATEGORY TWO for a period of 36 months following the date of being placed on the convicted vendor list.
  - ii. Discriminatory Vendors. An entity or affiliate who has been placed on the discriminatory vendor list may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids, proposals, or replies on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity.
  - iii. Notification. The Grantee shall notify Department if it or any of its suppliers, subcontractors, or consultants have been placed on the convicted vendor list or the discriminatory vendor list during the life of the Agreement. The Florida Department of Management Services is responsible for maintaining the discriminatory vendor list and posts the list on its website. Questions regarding the discriminatory vendor list may be directed to the Florida Department of Management Services, Office of Supplier Diversity, at (850) 487-0915.

**23. Compliance with Federal, State and Local Laws.**

- a. The Grantee and all its agents shall comply with all federal, state and local regulations, including, but not limited to, nondiscrimination, wages, social security, workers' compensation, licenses, and registration requirements. The Grantee shall include this provision in all subcontracts issued as a result of this Agreement.
- b. No person, on the grounds of race, creed, color, religion, national origin, age, gender, or disability, shall be excluded from participation in; be denied the proceeds or benefits of; or be otherwise subjected to discrimination in performance of this Agreement.
- c. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida.
- d. Any dispute concerning performance of the Agreement shall be processed as described herein. Jurisdiction for any damages arising under the terms of the Agreement will be in the courts of the State, and venue will be in the Second Judicial Circuit, in and for Leon County. Except as otherwise provided by law, the parties agree to be responsible for their own attorney fees incurred in connection with disputes arising under the terms of this Agreement.

**24. Scrutinized Companies.**

- a. Grantee certifies that it is not on the Scrutinized Companies that Boycott Israel List or engaged in a boycott of Israel. Pursuant to Section 287.135, F.S., the Department may immediately terminate this Agreement at its sole option if the Grantee is found to have submitted a false certification; or if the Grantee is placed on the Scrutinized Companies that Boycott Israel List or is engaged in the boycott of Israel during the term of the Agreement.

- b. If this Agreement is for more than one million dollars, the Grantee certifies that it is also not on the Scrutinized Companies with Activities in Sudan, Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, or engaged with business operations in Cuba or Syria as identified in Section 287.135, F.S. Pursuant to Section 287.135, F.S., the Department may immediately terminate this Agreement at its sole option if the Grantee is found to have submitted a false certification; or if the Grantee is placed on the Scrutinized Companies with Activities in Sudan List, or Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, or engaged with business operations in Cuba or Syria during the term of the Agreement.
- c. As provided in Subsection 287.135(8), F.S., if federal law ceases to authorize these contracting prohibitions then they shall become inoperative.

**25. Lobbying and Integrity.**

The Grantee agrees that no funds received by it under this Agreement will be expended for the purpose of lobbying the Legislature or a State agency pursuant to Section 216.347, F.S., except that pursuant to the requirements of Section 287.058(6), F.S., during the term of any executed agreement between Grantee and the State, Grantee may lobby the executive or legislative branch concerning the scope of services, performance, term, or compensation regarding that agreement. The Grantee shall comply with Sections 11.062 and 216.347, F.S.

**26. Record Keeping.**

The Grantee shall maintain books, records and documents directly pertinent to performance under this Agreement in accordance with United States generally accepted accounting principles (US GAAP) consistently applied. The Department, the State, or their authorized representatives shall have access to such records for audit purposes during the term of this Agreement and for five (5) years following the completion date or termination of the Agreement. In the event that any work is subcontracted, Grantee shall similarly require each subcontractor to maintain and allow access to such records for audit purposes. Upon request of Department's Inspector General, or other authorized State official, Grantee shall provide any type of information the Inspector General deems relevant to Grantee's integrity or responsibility. Such information may include, but shall not be limited to, Grantee's business or financial records, documents, or files of any type or form that refer to or relate to Agreement. The Grantee shall retain such records for the longer of: (1) three years after the expiration of the Agreement; or (2) the period required by the General Records Schedules maintained by the Florida Department of State (available at:

<http://dos.myflorida.com/library-archives/records-management/general-records-schedules/>).

**27. Audits.**

- a. **Inspector General.** The Grantee understands its duty, pursuant to Section 20.055(5), F.S., to cooperate with the inspector general in any investigation, audit, inspection, review, or hearing. The Grantee will comply with this duty and ensure that its sub-grantees and/or subcontractors issued under this Agreement, if any, impose this requirement, in writing, on its sub-grantees and/or subcontractors, respectively.
- b. **Physical Access and Inspection.** Department personnel shall be given access to and may observe and inspect work being performed under this Agreement, with reasonable notice and during normal business hours, including by any of the following methods:
  - i. Grantee shall provide access to any location or facility on which Grantee is performing work, or storing or staging equipment, materials or documents;
  - ii. Grantee shall permit inspection of any facility, equipment, practices, or operations required in performance of any work pursuant to this Agreement; and,
  - iii. Grantee shall allow and facilitate sampling and monitoring of any substances, soils, materials or parameters at any location reasonable or necessary to assure compliance with any work or legal requirements pursuant to this Agreement.
- c. **Special Audit Requirements.** The Grantee shall comply with the applicable provisions contained in Attachment 5, Special Audit Requirements. Each amendment that authorizes a funding increase or decrease shall include an updated copy of Exhibit 1, to Attachment 5. If Department fails to provide an updated copy of Exhibit 1 to include in each amendment that authorizes a funding increase or decrease, Grantee shall request one from the Department's Grants Manager. The Grantee shall consider the type of financial assistance (federal and/or state) identified in Attachment 5, Exhibit 1 and determine whether the terms of Federal and/or Florida Single Audit Act Requirements may further apply to lower tier transactions that may be a result of this Agreement. For federal financial assistance, Grantee shall utilize the guidance provided under 2 CFR §200.330 for determining whether the relationship represents that of a subrecipient or vendor. For State financial assistance, Grantee shall utilize the form entitled "Checklist for Nonstate Organizations Recipient/Subrecipient vs Vendor Determination" (form number DFS-A2-NS) that can be found under the "Links/Forms" section appearing at the following website: <https://apps.fldfs.com/fsaa>.

- d. **Proof of Transactions.** In addition to documentation provided to support cost reimbursement as described herein, Department may periodically request additional proof of a transaction to evaluate the appropriateness of costs to the Agreement pursuant to State guidelines (including cost allocation guidelines) and federal, if applicable. Allowable costs and uniform administrative requirements for federal programs can be found under 2 CFR 200. The Department may also request a cost allocation plan in support of its multipliers (overhead, indirect, general administrative costs, and fringe benefits). The Grantee must provide the additional proof within thirty (30) days of such request.
- e. **No Commingling of Funds.** The accounting systems for all Grantees must ensure that these funds are not commingled with funds from other agencies. Funds from each agency must be accounted for separately. Grantees are prohibited from commingling funds on either a program-by-program or a project-by-project basis. Funds specifically budgeted and/or received for one project may not be used to support another project. Where a Grantee's, or subrecipient's, accounting system cannot comply with this requirement, Grantee, or subrecipient, shall establish a system to provide adequate fund accountability for each project it has been awarded.
  - i. If Department finds that these funds have been commingled, Department shall have the right to demand a refund, either in whole or in part, of the funds provided to Grantee under this Agreement for non-compliance with the material terms of this Agreement. The Grantee, upon such written notification from Department shall refund, and shall forthwith pay to Department, the amount of money demanded by Department. Interest on any refund shall be calculated based on the prevailing rate used by the State Board of Administration. Interest shall be calculated from the date(s) the original payment(s) are received from Department by Grantee to the date repayment is made by Grantee to Department.
  - ii. In the event that the Grantee recovers costs, incurred under this Agreement and reimbursed by Department, from another source(s), Grantee shall reimburse Department for all recovered funds originally provided under this Agreement and interest shall be charged for those recovered costs as calculated on from the date(s) the payment(s) are recovered by Grantee to the date repayment is made to Department.
  - iii. Notwithstanding the requirements of this section, the above restrictions on commingling funds do not apply to agreements where payments are made purely on a cost reimbursement basis.

**28. Conflict of Interest.**

The Grantee covenants that it presently has no interest and shall not acquire any interest which would conflict in any manner or degree with the performance of services required.

**29. Independent Contractor.**

The Grantee is an independent contractor and is not an employee or agent of Department.

**30. Subcontracting.**

- a. Unless otherwise specified in the Special Terms and Conditions, all services contracted for are to be performed solely by Grantee.
- b. The Department may, for cause, require the replacement of any Grantee employee, subcontractor, or agent. For cause, includes, but is not limited to, technical or training qualifications, quality of work, change in security status, or non-compliance with an applicable Department policy or other requirement.
- c. The Department may, for cause, deny access to Department's secure information or any facility by any Grantee employee, subcontractor, or agent.
- d. The Department's actions under paragraphs b. or c. shall not relieve Grantee of its obligation to perform all work in compliance with the Agreement. The Grantee shall be responsible for the payment of all monies due under any subcontract. The Department shall not be liable to any subcontractor for any expenses or liabilities incurred under any subcontract and Grantee shall be solely liable to the subcontractor for all expenses and liabilities incurred under any subcontract.
- e. The Department will not deny Grantee's employees, subcontractors, or agents access to meetings within the Department's facilities, unless the basis of Department's denial is safety or security considerations.
- f. The Department supports diversity in its procurement program and requests that all subcontracting opportunities afforded by this Agreement embrace diversity enthusiastically. The award of subcontracts should reflect the full diversity of the citizens of the State. A list of minority-owned firms that could be offered subcontracting opportunities may be obtained by contacting the Office of Supplier Diversity at (850) 487-0915.
- g. The Grantee shall not be liable for any excess costs for a failure to perform, if the failure to perform is caused by the default of a subcontractor at any tier, and if the cause of the default is completely beyond the control of both Grantee and the subcontractor(s), and without the fault or negligence of either, unless the subcontracted products



or services were obtainable from other sources in sufficient time for Grantee to meet the required delivery schedule.

**31. Guarantee of Parent Company.**

If Grantee is a subsidiary of another corporation or other business entity, Grantee asserts that its parent company will guarantee all of the obligations of Grantee for purposes of fulfilling the obligations of Agreement. In the event Grantee is sold during the period the Agreement is in effect, Grantee agrees that it will be a requirement of sale that the new parent company guarantee all of the obligations of Grantee.

**32. Survival.**

The respective obligations of the parties, which by their nature would continue beyond the termination or expiration of this Agreement, including without limitation, the obligations regarding confidentiality, proprietary interests, and public records, shall survive termination, cancellation, or expiration of this Agreement.

**33. Third Parties.**

The Department shall not be deemed to assume any liability for the acts, failures to act or negligence of Grantee, its agents, servants, and employees, nor shall Grantee disclaim its own negligence to Department or any third party. This Agreement does not and is not intended to confer any rights or remedies upon any person other than the parties. If Department consents to a subcontract, Grantee will specifically disclose that this Agreement does not create any third-party rights. Further, no third parties shall rely upon any of the rights and obligations created under this Agreement.

**34. Severability.**

If a court of competent jurisdiction deems any term or condition herein void or unenforceable, the other provisions are severable to that void provision, and shall remain in full force and effect.

**35. Grantee's Employees, Subcontractors and Agents.**

All Grantee employees, subcontractors, or agents performing work under the Agreement shall be properly trained technicians who meet or exceed any specified training qualifications. Upon request, Grantee shall furnish a copy of technical certification or other proof of qualification. All employees, subcontractors, or agents performing work under Agreement must comply with all security and administrative requirements of Department and shall comply with all controlling laws and regulations relevant to the services they are providing under the Agreement.

**36. Assignment.**

The Grantee shall not sell, assign, or transfer any of its rights, duties, or obligations under the Agreement, or under any purchase order issued pursuant to the Agreement, without the prior written consent of Department. In the event of any assignment, Grantee remains secondarily liable for performance of the Agreement, unless Department expressly waives such secondary liability. The Department may assign the Agreement with prior written notice to Grantee of its intent to do so.

**37. Execution in Counterparts and Authority to Sign.**

This Agreement, any amendments, and/or change orders related to the Agreement, may be executed in counterparts, each of which shall be an original and all of which shall constitute the same instrument. In accordance with the Electronic Signature Act of 1996, electronic signatures, including facsimile transmissions, may be used and shall have the same force and effect as a written signature. Each person signing this Agreement warrants that he or she is duly authorized to do so and to bind the respective party to the Agreement.

**STATE OF FLORIDA  
DEPARTMENT OF ENVIRONMENTAL PROTECTION  
Special Terms and Conditions  
AGREEMENT NO. R2110**

**ATTACHMENT 2**

These Special Terms and Conditions shall be read together with general terms outlined in the Standard Terms and Conditions, Attachment 1. Where in conflict, these more specific terms shall apply.

**1. Scope of Work.**

The Project funded under this Agreement is going to result in a more specific SWMP deliverable, including a detailed survey and structural assessment of the existing seawall, a GIS-based modeling of the SLR projected tides overlaid with the FEMA DFIRM elevations, and a cultural and infrastructure overlay for impact and adaptation analysis. The Project is defined in more detail in Attachment 3, Grant Work Plan.

**2. Duration.**

- a. Reimbursement Period. The reimbursement period for this Agreement is the same as the term of the Agreement.
- b. Extensions. There are no extensions available for this Project.
- c. Service Periods. Additional service periods are not authorized under this Agreement.

**3. Payment Provisions.**

- a. Compensation. This is a fixed price Agreement. The Grantee shall be compensated under this Agreement as described in Attachment 3.
- b. Invoicing. Invoicing will occur as indicated in Attachment 3.
- c. Advance Pay. Advance Pay is not authorized under this Agreement.

**4. Cost Eligible for Reimbursement or Matching Requirements.**

Reimbursement for costs or availability for costs to meet matching requirements shall be limited to the following budget categories, as defined in the Reference Guide for State Expenditures, as indicated:

<u>Reimbursement</u>	<u>Match</u>	<u>Category</u>
<input type="checkbox"/>	<input type="checkbox"/>	Salaries/Wages
		Overhead/Indirect/General and Administrative Costs:
<input type="checkbox"/>	<input type="checkbox"/>	a. Fringe Benefits, N/A.
<input type="checkbox"/>	<input type="checkbox"/>	b. Indirect Costs, N/A.
<input type="checkbox"/>	<input type="checkbox"/>	Contractual (Subcontractors)
<input type="checkbox"/>	<input type="checkbox"/>	Travel, in accordance with Section 112, F.S.
<input type="checkbox"/>	<input type="checkbox"/>	Equipment
<input type="checkbox"/>	<input type="checkbox"/>	Rental/Lease of Equipment
<input type="checkbox"/>	<input type="checkbox"/>	Miscellaneous/Other Expenses
<input type="checkbox"/>	<input type="checkbox"/>	Land Acquisition

**5. Equipment Purchase.**

No Equipment purchases shall be funded under this Agreement.

**6. Land Acquisition.**

There will be no Land Acquisitions funded under this Agreement.

**7. Match Requirements**

There is no match required on the part of the Grantee under this Agreement.

**8. Insurance Requirements**

**Required Coverage.** At all times during the Agreement the Grantee, at its sole expense, shall maintain insurance coverage of such types and with such terms and limits described below. The limits of coverage under each policy maintained by the Grantee shall not be interpreted as limiting the Grantee's liability and obligations under the Agreement. Grantee shall provide coverage through a self-insurance program established and operating under the laws of Florida. Additional insurance requirements for this Agreement may be required elsewhere in this Agreement, however the minimum insurance requirements applicable to this Agreement are:

- a. **Comprehensive General Liability Insurance.**  
The Grantee shall provide adequate comprehensive general liability insurance coverage and hold such liability insurance at all times during the Agreement. The minimum limits shall be \$200,000 for each person and \$300,000 per occurrence.
- b. **Commercial Automobile Insurance.**  
If the Grantee's duties include the use of a commercial vehicle, the Grantee shall maintain automobile liability, bodily injury, and property damage coverage. Insuring clauses for both bodily injury and property damage shall provide coverage on an occurrence basis. The minimum limits shall be as follows:  
\$200,000/300,000      Automobile Liability for Company-Owned Vehicles, if applicable  
\$200,000/300,000      Hired and Non-owned Automobile Liability Coverage
- c. **Workers' Compensation.**  
The Grantee shall comply with the workers' compensation requirements of Chapter 440, F.S.
- d. **Other Insurance.** None.

**9. Quality Assurance Requirements.**

There are no special Quality Assurance requirements under this Agreement.

**10. Retainage.**

No retainage is required under this Agreement.

**11. Subcontracting.**

The Grantee may subcontract work under this Agreement without the prior written consent of the Department's Grant Manager except for certain fixed-price subcontracts pursuant to this Agreement, which require prior approval. The Grantee shall submit a copy of the executed subcontract to the Department prior to submitting any invoices for subcontracted work. Regardless of any subcontract, the Grantee is ultimately responsible for all work to be performed under this Agreement.

**12. State-owned Land.**

The work will not be performed on State-owned land.

**13. Office of Policy and Budget Reporting.**

There are no special Office of Policy and Budget reporting requirements for this Agreement.

**14. Additional Terms.**

None.

STATE OF FLORIDA  
DEPARTMENT OF ENVIRONMENTAL PROTECTION  
GRANT WORK PLAN  
DEP AGREEMENT NO.: R2110

ATTACHMENT 3

**I. TITLE PAGE**

1. **PROJECT TITLE:** Coastal Vulnerability, Risk & Adaptation Analysis

2. **GRANTEE Contact Information:**

Organization Name: Town of Lake Park

Name of Authorized Signer: John D'Agostino

Title: Town Manager

Address: 535 Park Avenue

City: Lake Park

Zip Code: 33403

Area Code and Telephone Number: 561-881-3304

E-mail Address: [jdagostino@lakeparkflorida.gov](mailto:jdagostino@lakeparkflorida.gov)

3. **GRANT MANAGER Contact Information:**

Organization Name: Town of Lake Park

Name: Richard Scherle

Title: Director of Public Works

Address: 535 Park Avenue

City: Lake Park

Zip Code: 33403

Area Code and Telephone Number: 561-881-3345

E-mail Address: [rscherle@lakeparkflorida.gov](mailto:rscherle@lakeparkflorida.gov)

4. **FISCAL AGENT Contact Information:**

Organization Name: Town of Lake Park

Name: Lourdes Cariseo

Title: Finance Director

Address: 535 Park Avenue

City: Lake Park

Zip Code: 33403

Area Code and Telephone Number: 561-881-3351

E-mail Address: [lcariseo@lakeparkflorida.gov](mailto:lcariseo@lakeparkflorida.gov)

5. FEID No. (a.k.a. Tax ID#): F59-6000355-001 Seq No. 001

6. WORK PERFORMED BY: (Select only one)

- Grantee ONLY  
 Subcontractor ONLY  
 BOTH the Grantee & Sub-Contractor  
 To Be Determined

7. SUBCONTRACTORS CONTACT INFORMATION: *(If applicable & known)*

Organization Name: Water Resources Management Associates, Inc. (WRMA)

Name: Raul Mercado

Title: Principal Engineer

Address: 250 Tequesta Drive, Suite 302

City: Tequesta

Zip Code: 33469

Area Code and Telephone Number: 561-529-2075

E-mail Address: raul.mercado@wrmaeng.com

8. PROJECT LOCATION:

A. List of County(ies): Palm Beach County

B. List of City(ies)/Town(s)/Village(s): Town of Lake Park

C. State Lands Lease Agreement Number(s): N/A

*Provide lease agreement number(s) for any work that will be performed on State Lands. If work will not be on any state lands, please indicate N/A.*

*Remainder of this page intentionally left blank.*

## II. WORK PLAN

9. **PROJECT SUMMARY:** A previous grant from the FRCP Program was issued to Lake Park to partially fund Task 5 of the Stormwater Master Plan (SWMP). Task 5 entails a sea level rise (SLR) assessment vulnerability and adaptation analysis intended to be completed using generally available SLR projections for Palm Beach County and identifying vulnerable areas. This grant will result in a more specific SWMP deliverable, including a detailed survey and structural assessment of the existing seawall, a GIS-based modeling of the SLR projected tides overlaid with the FEMA DFIRM elevations, and a cultural and infrastructure overlay for impact and adaptation analysis.
10. **PROJECT DESCRIPTION:** The Town of Lake Park, originally named Kelsey City, became the first zoned municipality in Florida in 1923. With an area of 2.5 square miles and a population of approximately 9,000 residents, the Town of Lake Park (the Town) is located in Palm Beach County, less than 10 miles north of West Palm Beach. The Town's eastern boundary has a waterfront along the Lake Worth Lagoon (LWL), which is part of the Intracoastal Waterway and subject to tide fluctuations.

Lake Shore Drive, as well as residential and commercial properties along the waterfront, have experienced recurring historical flooding as a result of storm surges, king tides and climate change. It has been predicted by the United States Army Corps of Engineers (USACE) that the change in SLR from 2019 to 2060 will be approximately 26 inches. The 2018 king tide was recorded at 3.76 feet NAVD along the waterfront. An existing seawall along the waterfront with an average top elevation of 4 feet NAVD has been frequently overtopped by storm events influenced by SLR-enhanced high tides.

There is a need to ascertain the height and internal structural condition of the existing seawall constructed throughout the Town's various development periods. There is also a need to determine the impact that an increasing sea level rise prediction will have on the Town's residential and commercial waterfront and associated municipal infrastructure. In order to better understand that the impact of rising SLR along the town waterfront and Lake Worth Lagoon, a seawall structural assessment is proposed together with GIS modeling using LiDAR elevation data to map the extent of predicted future inundation and flooding, and to identify potential natural and cultural features at risk in the affected areas.

High tide inundation and floodplain GIS modeling will be implemented using historical recorded tide gauge data, FEMA floodplain DFIRM elevation data, and 2017 Palm Beach County LiDAR data. The results will include maps of the SLR-impacted coastal flood elevations at 6-inch increments.

A cultural and infrastructure GIS overlay analysis will be performed using the geographic extent of that data, and potential natural and cultural resources at risk will be identified for each of those steps based on the impacts of sea level rise.

Outreach meetings will be conducted to obtain feedback for the proposed project and the level of understanding of climate change/SLR impacts in the community. These public meetings will take place via the Floodplain Management Planning Committee already established by the Town via Ordinance for the Stormwater Management Plan Implementation.

### Summary

A GIS model will use high resolution LiDAR data, current datum information, sea level rise projections, and overlays with natural and cultural resources to identify the Town's resources at risk by the year 2060 based on sea level rise. Results will indicate important resources and infrastructure at risk. A vulnerability, risk and adaptation assessment will be performed using the results of the filed investigations and inundation mapping. With this data, the Town can begin to assess the extent of these risks and plan for options in coastal resiliency and adaptation. The costs of seawall bulkhead replacement options will also be presented.

## 11. PROJECT NEED AND BENEFIT:

**A. Explain the demonstrated need, which the project addresses.** The Town of Lake Park has a 0.8-mile waterfront along the Lake Worth Lagoon (part of the Intracoastal Waterway in Palm Beach County) that is affected by tides (Attachment 1). A seawall, built incrementally beginning in the 1970s and having an average top elevation of 4 feet NAVD (Attachment 2), is located along the waterfront. The 2017 Federal Emergency Management Agency (FEMA) maps show a special flood hazard area (SFHA) with a base flood elevation (BFE) of 5 feet NAVD along most of the Town's waterfront (Attachment 3) and the November 2018 king tide at the Town was measured at 3.76 feet NAVD. The shoreline section of the Town exhibits low topographic elevations in the range of 2 to 5 feet NAVD (Attachment 4) and has frequently been affected by inundation from these tides and other subtropical storm events. The predicted USACE SLR for Palm Beach County (which includes the Town) is approximately 26 inches by 2060 (Attachment 5). Therefore, the Town's roadways, utilities, residential and commercial infrastructure are very susceptible to current and future damage ensuing from coastal flooding exacerbated by increasing SLR (Attachment 6). There is a need to ascertain the degree of the current and future coastal flooding by the implementation of a detailed climate change-based vulnerability, risk and adaptation analysis.

**B. Explain how the proposed project meets the purpose of one or more of the Goals and Priorities for FRCP.** The proposed project will meet the purposes of Priority Area 1 and Priority Area 3.

Under Priority 1, coastal communities with a coastal management element in their comprehensive plan can receive assistance in gaining compliance with the 2015 "Peril of Flood" requirements of Sec. 163.3178(2)(f)F.S. The Town is a coastal community with a coastal management element in its comprehensive plan; participates in the National Flood Insurance Program (NFIP); and has mapped special flood hazard areas. The Town also participates in the FEMA community rating system (CRS), and is implementing a climate change/sea level rise vulnerability risk and adaptation assessment through the implementation of its Stormwater Master Plan (SWMP) Task #5.

The SWMP Task #5 vulnerability assessment was scoped to be conducted using publicly available, reliable data to identify coastal areas that are vulnerable to current and future flooding resulting from high-tide events, storm surges, flash floods, stormwater runoff, and the related impacts of sea level rise.

A floodplain management planning committee formed by Town Ordinance is currently performing public outreach and holding community meetings to present the findings of the SWMP Task 5 vulnerability assessment and to gather additional information and comments.

The proposed project will allow for the acquisition of project-specific site data along the Town waterfront for the preparation of a much more robust SWMP Task 5 deliverable as desired in Priority Area 1 goals.

In Priority Area 3, communities that have already complied with the 2015 Peril of Flood statute can receive assistance for continuing resiliency planning. Vulnerability assessments consist of measuring the impact of sea level rise on a community or portion of a community and identifying the people, infrastructure and land uses that may be affected. The proposed project falls entirely within this priority area.

The proposed project includes three tasks that will quantify the peril provided by climate change-induced sea level rise along the Town of Lake Park. The data to be obtained by the physical surveying and structural assessment of the Town's seawall will be applied in the enhanced vulnerability assessment to measure the impact of SLR and identify the people, infrastructure and

land uses that may be affected. This will be accomplished through GIS-based LiDAR modeling of tide, FEMA floodplains, and SLR along the Town's waterfront.

- C. Discuss how the project is feasible and can be completed by the grant period deadline.** Task 5 of the Town of Lake Park Stormwater Master Plan is scheduled to be completed by July of 2020. If the Town is awarded funding within this time frame, the project can be completed within 90 days of the notice to proceed.
- D. Explain how this project is addressing social vulnerability or vulnerability of historic resources or stormwater management systems.** The Town of Lake Park, then known as Kelsey City, became the first zoned community in South Florida in 1923. Kelsey Park, located along the waterfront, is a historic site and cultural resource that is at risk of being impacted by sea level rise.

The Town is currently developing mixed-use districts for 800 acres of the Federal Highway corridor. The study area incorporates the east and west sides of Federal Highway between Silver Beach Road (to the south), Palmetto Drive (to the north), Second Street (to the west) and Lake Shore Drive (to the east). Both sides of the corridor require the creation of land development regulations, and the Town has adopted changes to the Comprehensive Plan for the corridor's east side to establish the Federal Highway/Intracoastal Mixed-Use District.

It is expected that the redevelopment area will attract high-end residential condominiums and commercial establishments that will require extensive utility infrastructure investments. The redevelopment area is immediately adjacent and parallel to the Town's waterfront, and the proposed project will assess the impact of increasing SLR-impacted tides on the proposed redevelopment area. The project will also provide adaptation methodologies to be adopted by the Town for the redevelopment process.

**12. DESCRIPTION OF PROJECT OUTCOMES:** The project outputs will provide the technical and financial information necessary for the Mayor, the Town Manager and the Town Commission to plan for sustainable solutions to replace the existing aging seawall and perform hardening of utility and transportation infrastructure along the waterfront. The Town is already contemplating the possibility of participating in a joint pilot living shoreline project with Palm Beach County to be located along the Town's seawall. The project adaptation component will address the options to be contemplated for seawall replacement, including a combination gabion wall and living shoreline project.

**13. BUDGET SUMMARY:** Allowable budget categories and form of payment with the costs for this project are listed in the table below.

**BUDGET SUMMARY BREAKDOWN**

Budget Categories	Payment	Task 1	Task 2	Task 3	Grant Amount Awarded
Salaries & Fringe	Fixed Price	\$0	\$0	\$0	\$0
Contractual Services*	Fixed Price	\$10,000	\$45,000	\$20,000	\$75,000
<b>GRANT AGREEMENT TOTAL</b>		<b>\$10,000</b>	<b>\$45,000</b>	<b>\$20,000</b>	<b>\$75,000</b>

- A. Describe how the project costs was determined:** The project costs were determined via a field survey costs estimate and an engineering analysis cost estimate.
- B. Contractual Services Selection\*:** Upon a selected Sub-Contractor(s) (if applicable), the Grantee will Provide a signed certification statement giving a description of the procurement process that was utilized for the selection of the sub-contractors. The description must include:
  - a. What procurement process was utilized
  - b. Justification as to how & why you made your final selection.



- c. For competitively obtained Sub-Contractor also include:
  - i. A list of all entities that you received bids/quotes from,
  - ii. Names and addresses of those entities that provided bids/quotes,
  - iii. Actual amounts of the bids/quotes that were submitted.

**14. PROJECT TIMELINE:** All tasks are to be completed and submitted no later than the task/deliverable due date listed in the table below. Requests for any change must be submitted prior to the current task/deliverable due date listed in the project timeline. Requests are to be sent via separate email to the Department’s Grant Manager, with the details of the request being made and the reason for the request.

**PROJECT TIMELINE**

<b>Task No.</b>	<b>Task Title</b>	<b>Deliverable Due Date</b>	<b>Task Amount</b>
1	Seawall/Bulkhead Topographic Survey	08/21/2020	\$10,000
2	Seawall Structural Assessment	09/30/2020	\$45,000
3	Inundation Modeling and Vulnerability/Risk/Adaptation Assessment	10/31/2020	\$20,000
<b>Total</b>			<b>\$75,000</b>

**15. PERFORMANCE MEASURES:** The Grantee will submit all deliverables for each task via **one pdf document** to the Department’s Grant Manager on or before the Task/Deliverable Due Date listed in the Project Timeline. The Department’s Grant Manager will review the task/deliverables to verify that they meet the specifications in the Grant Work Plan and this task description, to include any work being performed by any sub-contractor(s). Upon review and written acceptance by the Department’s Grant Manager of all deliverables under this task, the Grantee may proceed with payment request submittal.

**16. CONSEQUENCES FOR NON-PERFORMANCE:** The Department will reduce each Task Funding Amount by 5% for every day that the task/deliverable(s) is not received on the specified due date in the most recent Project Timeline, for the Agreement. Should a Change Order or Amendment be requested on the date of or after the most current task/deliverable due date, the 5% reduction of that Task Funding Amount will be imposed until the date of the requested change is received, via email by the Department.

**17. PAYMENT REQUEST SCHEUDLE:** Grantee may submit a request for the Task Funding Amount to be paid using the Exhibit C, after all deliverables for that task have been approved by the Department. Request(s) for payment must include the Exhibit A showing 100% completion of that task and must be submitted within 45 days of the task/deliverable due date. Please refer to the [website Grants page](#) for “How to Request Payment”, and “Checklist for Requesting Payment”

**Or**

Grantee may submit one request for the Grant Amount Awarded, by using the Exhibit C, after the project is 100% completed. The request for the Grant Amount Awarded, must include an Exhibit A showing 100% completion for all tasks, and must be submitted within 45 days of the last task/deliverable due date.

**18. FUNDING SOURCE:** Grantee agrees to include on all publications, printed reports, audiovisuals (including videos, slides, and websites except that unless required under special terms of this Agreement, this requirement does not apply to audiovisuals produced as research instruments or for documenting experimentation or findings and which are not intended for presentation to the general public) or similar materials must include the DEP logo (which can be found on the Department’s website at

<https://floridadep.gov/resilience> or by contacting the Department's Grant Manager for a copy) and the following statement on, the following language.

"This work was funded in part through a grant agreement from the Florida Department of Environmental Protection, Florida Resilient Coastlines Program, by a grant provided by the Office of Resilience and Coastal Protection. The views, statements, findings, conclusions and recommendations expressed herein are those of the author(s) and do not necessarily reflect the views of the State of Florida or any of its subagencies."

The next printed line shall identify the month and year of the publication.

### **III. TASKS & DELIVERABLES**

#### **Task #1**

- A. Title:** Seawall/Bulkhead Topographic Survey
- B. Goal:** To establish a seawall top elevation baseline for approximately 5,400 linear feet as well as cross-sectional dimensions spaced at approximately 500-foot intervals.
- C. Description:** The Seawall/Bulkhead Topographic Survey will be conducted by Betsy Lindsay, Inc. using dynamic GPS surveying techniques (RTK) to obtain elevations along approximately 5,400 linear feet of seawall along the Town's waterfront. Ten (10) cross-sections of the bulkhead will also be obtained at approximately 540-foot intervals. The project will entail establishing vertical and horizontal control, measuring the top of the seawall at 100-foot intervals, and obtaining cross-sections of the seawall at 540-foot intervals using RTK 5 feet east of seawall to natural ground to the west.
- D. Deliverable(s):** The Grantee will submit all deliverables for each task via **one pdf document** to the Department's Grant Manager on or before the Task/Deliverable Due Date listed in the Project Timeline.
  - 1) An AutoCAD version 2015 file, a .pdf of the Final As Built and six (6) Final As Built surveys for the entire project site

#### **Task #2**

- A. Title:** Seawall Structural Assessment
- B. Goal:** To establish the structural integrity of the external and internal seawall or bulkhead structure at the cross-sectional locations surveyed and along the base of approximately 5,400 linear feet of seawall
- C. Description:** Coastal Systems International (CSI) will conduct the assessment as follows:  
Field Investigation  
*Above- and below-water assessment of the existing bulkhead.* CSI will mobilize a team led by an engineer to conduct an above- and below-water assessment of the existing bulkhead and structures at the project site. The existing bulkhead is approximately 5,400 linear feet. The assessment will be conducted to evaluate the condition of the structures and the requirements for repair and/or replacement. Outfalls along the bulkhead will be documented. The investigation will be conducted by a two-person team using snorkel equipment and completed in accordance with the American Society of Civil Engineers (ASCE) Underwater Investigations Standard Practice Manual.

Photographs will be obtained to document the investigation; field notes will be recorded referenced to stationing established along the bulkhead; and soundings along the base of the wall will be obtained with respect to the top of the bulkhead cap.

*Probing, coring, testing and excavating and inspection of the bulkhead tieback system.* CSI will perform an invasive assessment of the selected location established by the topographic survey.

**D. Deliverable(s):** The Grantee will submit all deliverables for each task via **one pdf document** to the Department's Grant Manager on or before the Task/Deliverable Due Date listed in the Project Timeline.

- 1) Report on the structural assessment and remaining useful life of the existing bulkhead, to include:
  - a. a structural assessment and remaining useful life of the existing bulkhead
  - b. Recommendations for repairs and/or replacements to meet long-term sustainability goals and adapt to changing conditions due to increased loads associated with sea level rise and climate change
  - c. Alternative designs, such as gabion walls and living shorelines
  - d. Recommendations for improvements or replacements of the outfalls along the bulkhead
  - e. Condition of the structure rating in accordance with ASCE Underwater Investigation Manual including the investigation plans and copies of photographs to illustrate the observed conditions.
  - f. A construction cost estimate for both repair and replacement options.
  - g. Report will be signed/sealed by a Florida Professional Engineer.

### **Task #3**

**A. Title:** Inundation Modeling and Vulnerability/Risk/Adaptation Assessment

**B. Goal:** Establish a baseline for future resiliency for the Town of Lake Park building and municipal infrastructure along the Town's Lake Worth Lagoon waterfront to prepare for projected sea level rise-induced and climate change-induced hydrologic changes and establish inundation and flood plain modeling for cultural and infrastructure impact mapping and quantification.

**C. Description:**

*High Tide Inundation Mapping.* Water Resources Management Associates will perform inundation modeling applying ArcGIS software. Inundation zones will be created by creating a continuous surface for MHHW elevation; overlaying MHHW surface with high resolution LiDAR data to map the current extent of MHHW; and modeling each 12-inch increase above MHHW to an elevation of 60 inches (FEMA DFIRM elevations for the Town of Lake Park or 5 feet NAVD)

*Floodplain Modeling.* Beyond the risk of permanent inundation, the Town also faces risk of increased coastal flooding associated with sea level rise. A flood layer will be created to model the current and potential future 1% risk (100 year) floodplain zones matching corresponding levels of inundation predicted due to sea level rise. The model will identify the current extent of flooding using 2017 FEMA Base Flood Elevations (BFEs) and models the extent of each 6-inch vertical increase up to a level that would correspond with 60 inches of inundation (5 feet NAVD).

Potential flood zones will be modeled by creating a continuous elevation surface of current FEMA Base Flood Elevations (BFEs); overlaying BFE continuous surface with high resolution LiDAR data to map the current extent of flooding; and modeling each 12-inch increase above current BFEs to an elevation of 60 inches.

A continuous Lake Worth Lagoon BFE elevation surface will be created by interpolating elevations between the combined BFE data points from FEMA flood data. Those modeled values will then be reclassified to represent each six-inch incremental flood level up to 60 inches. The result will be a series of 1% risk zones that correspond with each 6-inch incremental step in inundation due to predicted sea level rise.

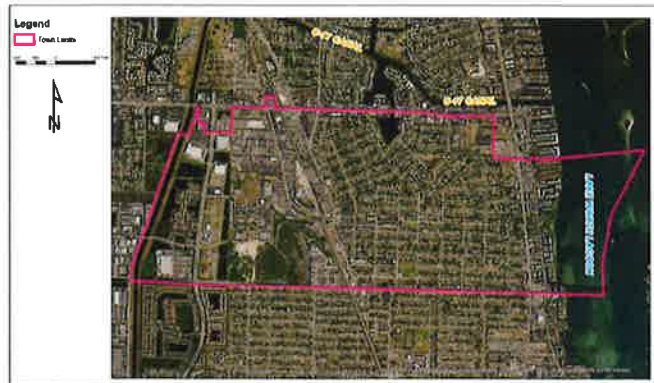
*Cultural and Infrastructure Overlays.* Using the geographic extent of the model-produced data, potential natural and cultural resources at risk will be identified for each of those steps based on the impacts of sea level rise.

D. **Deliverable(s):** The Grantee will submit all deliverables for each task via **one pdf document** to the Department's Grant Manager on or before the Task/Deliverable Due Date listed in the Project Timeline.

- 1) Sea level rise vulnerability assessment risk and adaptation analysis to include:
  - a. Physical bulkhead data
  - b. Inundation mapping
  - c. Cultural GIS overlay
  - d. Adaptation bulkhead replacement options identified with cost estimates

# Attachments

## Attachment 1



## Attachment 2 TOWN OF LAKE PARK, FLORIDA PROJECT LOCATION

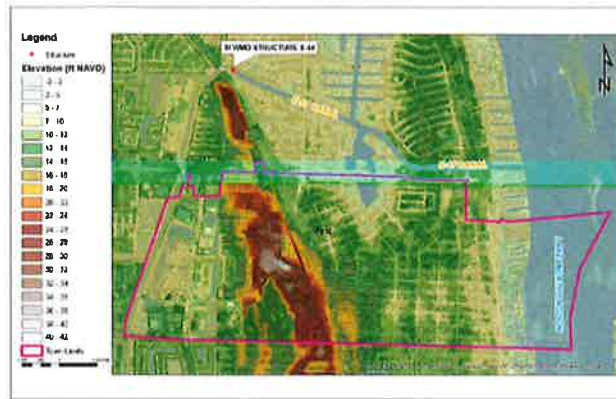


## Attachment 3 TOWN OF LAKE PARK STORMWATER MASTERPLAN FEMA FLOODPLAINS (EASTERN)

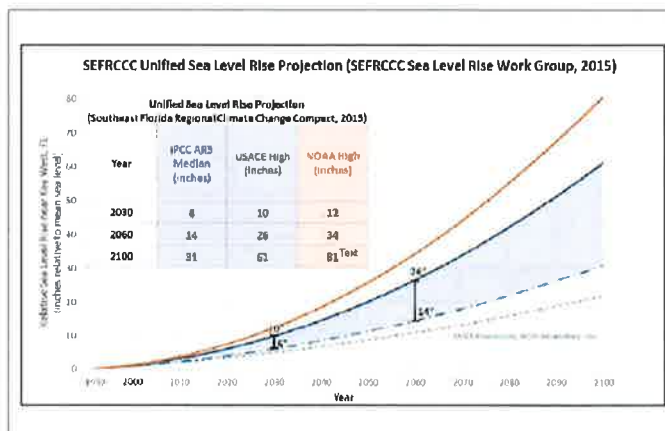


Attachment 3, DEP Agreement #: R2110  
10 of 11

**Attachment 4**  
**TOWN OF LAKE PARK STORMWATER MASTERPLAN**  
**TOPOGRAPHIC GRADIENT**



**Attachment 5**  
**US ARMY CORPS OF ENGINEERS**  
**2060 SEA LEVEL RISE PROJECTION**



**Attachment 6**  
**TOWN OF LAKE PARK**  
**HISTORICAL FLOODING ALONG LAKE SHORE DRIVE (2004-2005 HURRICANE SEASON)**



**Attachment 3, DEP Agreement #: R2110**  
11 of 11

**STATE OF FLORIDA  
DEPARTMENT OF ENVIRONMENTAL PROTECTION  
Public Records Requirements**

**Attachment 4**

**1. Public Records.**

- a. If the Agreement exceeds \$35,000.00, and if Grantee is acting on behalf of Department in its performance of services under the Agreement, Grantee must allow public access to all documents, papers, letters, or other material, regardless of the physical form, characteristics, or means of transmission, made or received by Grantee in conjunction with the Agreement (Public Records), unless the Public Records are exempt from section 24(a) of Article I of the Florida Constitution or section 119.07(1), F.S.
- b. The Department may unilaterally terminate the Agreement if Grantee refuses to allow public access to Public Records as required by law.

**2. Additional Public Records Duties of Section 119.0701, F.S., If Applicable.**

For the purposes of this paragraph, the term “contract” means the “Agreement.” If Grantee is a “contractor” as defined in section 119.0701(1)(a), F.S., the following provisions apply and the contractor shall:

- a. Keep and maintain Public Records required by Department to perform the service.
- b. Upon request, provide Department with a copy of requested Public Records or allow the Public Records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, F.S., or as otherwise provided by law.
- c. A contractor who fails to provide the Public Records to Department within a reasonable time may be subject to penalties under section 119.10, F.S.
- d. Ensure that Public Records that are exempt or confidential and exempt from Public Records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if the contractor does not transfer the Public Records to Department.
- e. Upon completion of the contract, transfer, at no cost, to Department all Public Records in possession of the contractor or keep and maintain Public Records required by Department to perform the service. If the contractor transfers all Public Records to Department upon completion of the contract, the contractor shall destroy any duplicate Public Records that are exempt or confidential and exempt from Public Records disclosure requirements. If the contractor keeps and maintains Public Records upon completion of the contract, the contractor shall meet all applicable requirements for retaining Public Records. All Public Records stored electronically must be provided to Department, upon request from Department’s custodian of Public Records, in a format specified by Department as compatible with the information technology systems of Department. These formatting requirements are satisfied by using the data formats as authorized in the contract or Microsoft Word, Outlook, Adobe, or Excel, and any software formats the contractor is authorized to access.
- f. **IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, F.S., TO THE CONTRACTOR’S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THE CONTRACT, CONTACT THE DEPARTMENT’S CUSTODIAN OF PUBLIC RECORDS AT:**

**Telephone:** (850) 245-2118  
**Email:** [public.services@floridadep.gov](mailto:public.services@floridadep.gov)  
**Mailing Address:** Department of Environmental Protection  
**ATTN: Office of Ombudsman and Public Services**  
**Public Records Request**  
**3900 Commonwealth Boulevard, MS 49**  
**Tallahassee, Florida 32399**

**STATE OF FLORIDA  
DEPARTMENT OF ENVIRONMENTAL PROTECTION  
Special Audit Requirements  
(State and Federal Financial Assistance)**

**Attachment 5**

The administration of resources awarded by the Department of Environmental Protection (*which may be referred to as the "Department", "DEP", "FDEP" or "Grantor", or other name in the agreement*) to the recipient (*which may be referred to as the "Recipient", "Grantee" or other name in the agreement*) may be subject to audits and/or monitoring by the Department of Environmental Protection, as described in this attachment.

**MONITORING**

In addition to reviews of audits conducted in accordance with 2 CFR Part 200, Subpart F-Audit Requirements, and Section 215.97, F.S., as revised (see "AUDITS" below), monitoring procedures may include, but not be limited to, on-site visits by DEP Department staff, limited scope audits as defined by 2 CFR 200.425, or other procedures. By entering into this Agreement, the recipient agrees to comply and cooperate with any monitoring procedures/processes deemed appropriate by the Department of Environmental Protection. In the event the Department of Environmental Protection determines that a limited scope audit of the recipient is appropriate, the recipient agrees to comply with any additional instructions provided by the Department to the recipient regarding such audit. The recipient further agrees to comply and cooperate with any inspections, reviews, investigations, or audits deemed necessary by the Chief Financial Officer (CFO) or Auditor General.

**AUDITS**

**PART I: FEDERALLY FUNDED**

This part is applicable if the recipient is a State or local government or a non-profit organization as defined in 2 CFR §200.330

1. A recipient that expends \$750,000 or more in Federal awards in its fiscal year, must have a single or program-specific audit conducted in accordance with the provisions of 2 CFR Part 200, Subpart F. EXHIBIT 1 to this Attachment indicates Federal funds awarded through the Department of Environmental Protection by this Agreement. In determining the federal awards expended in its fiscal year, the recipient shall consider all sources of federal awards, including federal resources received from the Department of Environmental Protection. The determination of amounts of federal awards expended should be in accordance with the guidelines established in 2 CFR 200.502-503. An audit of the recipient conducted by the Auditor General in accordance with the provisions of 2 CFR Part 200.514 will meet the requirements of this part.
2. For the audit requirements addressed in Part I, paragraph 1, the recipient shall fulfill the requirements relative to auditee responsibilities as provided in 2 CFR 200.508-512.
3. A recipient that expends less than \$750,00 in federal awards in its fiscal year is not required to have an audit conducted in accordance with the provisions of 2 CFR Part 200, Subpart F-Audit Requirements. If the recipient expends less than \$750,000 in federal awards in its fiscal year and elects to have an audit conducted in accordance with the provisions of 2 CFR 200, Subpart F-Audit Requirements, the cost of the audit must be paid from non-federal resources (i.e., the cost of such an audit must be paid from recipient resources obtained from other federal entities.
4. The recipient may access information regarding the Catalog of Federal Domestic Assistance (CFDA) via the internet at [www.cfda.gov](http://www.cfda.gov)

**Attachment 5**



## PART II: STATE FUNDED

This part is applicable if the recipient is a nonstate entity as defined by Section 215.97(2), Florida Statutes.

1. In the event that the recipient expends a total amount of state financial assistance equal to or in excess of \$750,000 in any fiscal year of such recipient (for fiscal years ending June 30, 2017, and thereafter), the recipient must have a State single or project-specific audit for such fiscal year in accordance with Section 215.97, F.S.; Rule Chapter 69I-5, F.A.C., State Financial Assistance; and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General. EXHIBIT I to this form lists the state financial assistance awarded through the Department of Environmental Protection by this agreement. In determining the state financial assistance expended in its fiscal year, the recipient shall consider all sources of state financial assistance, including state financial assistance received from the Department of Environmental Protection, other state agencies, and other nonstate entities. State financial assistance does not include federal direct or pass-through awards and resources received by a nonstate entity for Federal program matching requirements.
2. In connection with the audit requirements addressed in Part II, paragraph 1; the recipient shall ensure that the audit complies with the requirements of Section 215.97(8), Florida Statutes. This includes submission of a financial reporting package as defined by Section 215.97(2), Florida Statutes, and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General.
3. If the recipient expends less than \$750,000 in state financial assistance in its fiscal year (for fiscal year ending June 30, 2017, and thereafter), an audit conducted in accordance with the provisions of Section 215.97, Florida Statutes, is not required. In the event that the recipient expends less than \$750,000 in state financial assistance in its fiscal year, and elects to have an audit conducted in accordance with the provisions of Section 215.97, Florida Statutes, the cost of the audit must be paid from the non-state entity's resources (i.e., the cost of such an audit must be paid from the recipient's resources obtained from other than State entities).
4. For information regarding the Florida Catalog of State Financial Assistance (CSFA), a recipient should access the Florida Single Audit Act website located at <https://apps.fldfs.com/fsaa> for assistance. In addition to the above websites, the following websites may be accessed for information: Legislature's Website at <http://www.leg.state.fl.us/Welcome/index.cfm>, State of Florida's website at <http://www.myflorida.com/>, Department of Financial Services' Website at <http://www.fldfs.com/> and the Auditor General's Website at <http://www.myflorida.com/audgen/>.

## PART III: OTHER AUDIT REQUIREMENTS

*(NOTE: This part would be used to specify any additional audit requirements imposed by the State awarding entity that are solely a matter of that State awarding entity's policy (i.e., the audit is not required by Federal or State laws and is not in conflict with other Federal or State audit requirements). Pursuant to Section 215.97(8), Florida Statutes, State agencies may conduct or arrange for audits of State financial assistance that are in addition to audits conducted in accordance with Section 215.97, Florida Statutes. In such an event, the State awarding agency must arrange for funding the full cost of such additional audits.)*

## PART IV: REPORT SUBMISSION

1. Copies of reporting packages for audits conducted in accordance with 2 CFR Part 200, Subpart F-Audit Requirements, and required by PART I of this form shall be submitted, when required by 2 CFR 200.512, by or on behalf of the recipient directly to the Federal Audit Clearinghouse (FAC) as provided in 2 CFR 200.36 and 200.512
  - A. The Federal Audit Clearinghouse designated in 2 CFR §200.501(a) (the number of copies required by 2 CFR §200.501(a) should be submitted to the Federal Audit Clearinghouse), at the following address:

By Mail:

Federal Audit Clearinghouse  
Bureau of the Census  
1201 East 10th Street  
Jeffersonville, IN 47132

Submissions of the Single Audit reporting package for fiscal periods ending on or after January 1, 2008, must be submitted using the Federal Clearinghouse's Internet Data Entry System which can be found at <http://harvester.census.gov/facweb/>

2. Copies of financial reporting packages required by PART II of this Attachment shall be submitted by or on behalf of the recipient directly to each of the following:

- A. The Department of Environmental Protection at one of the following addresses:

By Mail:

**Audit Director**  
Florida Department of Environmental Protection  
Office of Inspector General, MS 40  
3900 Commonwealth Boulevard  
Tallahassee, Florida 32399-3000

Electronically:

[FDEPSingleAudit@dep.state.fl.us](mailto:FDEPSingleAudit@dep.state.fl.us)

- B. The Auditor General's Office at the following address:

Auditor General  
Local Government Audits/342  
Claude Pepper Building, Room 401  
111 West Madison Street  
Tallahassee, Florida 32399-1450

The Auditor General's website (<http://flauditor.gov/>) provides instructions for filing an electronic copy of a financial reporting package.

3. Copies of reports or management letters required by PART III of this Attachment shall be submitted by or on behalf of the recipient directly to the Department of Environmental Protection at one of the following addresses:

By Mail:

**Audit Director**  
Florida Department of Environmental Protection  
Office of Inspector General, MS 40  
3900 Commonwealth Boulevard  
Tallahassee, Florida 32399-3000

Electronically:

[FDEPSingleAudit@dep.state.fl.us](mailto:FDEPSingleAudit@dep.state.fl.us)

4. Any reports, management letters, or other information required to be submitted to the Department of Environmental Protection pursuant to this Agreement shall be submitted timely in accordance with 2 CFR 200.512, section 215.97, F.S., and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, as applicable.

5. Recipients, when submitting financial reporting packages to the Department of Environmental Protection for audits done in accordance with 2 CFR 200, Subpart F-Audit Requirements, or Chapters 10.550 (local governmental entities) and 10.650 (non and for-profit organizations), Rules of the Auditor General, should indicate the date and the reporting package was delivered to the recipient correspondence accompanying the reporting package.

#### **PART V: RECORD RETENTION**

The recipient shall retain sufficient records demonstrating its compliance with the terms of the award and this Agreement for a period of **five (5)** years from the date the audit report is issued, and shall allow the Department of Environmental Protection, or its designee, Chief Financial Officer, or Auditor General access to such records upon request. The recipient shall ensure that audit working papers are made available to the Department of Environmental Protection, or its designee, Chief Financial Officer, or Auditor General upon request for a period of **three (3)** years from the date the audit report is issued, unless extended in writing by the Department of Environmental Protection.

**EXHIBIT - 1**

FUNDS AWARDED TO THE RECIPIENT PURSUANT TO THIS AGREEMENT CONSIST OF THE FOLLOWING:

*Note: If the resources awarded to the recipient represent more than one federal program, provide the same information shown below for each federal program and show total federal resources awarded*

<b>Federal Resources Awarded to the Recipient Pursuant to this Agreement Consist of the Following:</b>					
<b>Federal Program A</b>	Federal Agency	CFDA Number	CFDA Title	Funding Amount	State Appropriation Category
				\$	
<b>Federal Program B</b>	Federal Agency	CFDA Number	CFDA Title	Funding Amount	State Appropriation Category
				\$	

*Note: Of the resources awarded to the recipient represent more than one federal program, list applicable compliance requirements for each federal program in the same manner as shown below:*

<b>Federal Program A</b>	First Compliance requirement: i.e.: (what services of purposes resources must be used for)	
	Second Compliance requirement: i.e.: (eligibility requirement for recipients of the resources)	
	Etc.	
<b>Federal Program B</b>	First Compliance requirement: i.e.: (what services of purposes resources must be used for)	
	Second Compliance requirement: i.e.: (eligibility requirement for recipients of the resources)	
	Etc.	

Note: If the resources awarded to the recipient for matching represent more than one federal program, provide the same information shown below for each federal program and show total state resources awarded for matching.

State Resources Awarded to the Recipient Pursuant to this Agreement Consist of the Following Matching Resources for Federal Programs:					
Federal Program A	Federal Agency	CFDA	CFDA Title	Funding Amount	State Appropriation Category
Federal Program B	Federal Agency	CFDA	CFDA Title	Funding Amount	State Appropriation Category

Note: If the resources awarded to the recipient represent more than one state project, provide the same information shown below for each state project and show total state financial assistance awarded that is subject to section 215.97, F.S.

State Resources Awarded to the Recipient Pursuant to this Agreement Consist of the Following Resources Subject to Section 215.97, F.S.:						
State Program A	State Awarding Agency	State Fiscal Year	CSFA Number	CSFA Title or Funding Source Description	Funding Amount	State Appropriation Category
Original Agreement	Department of Environmental Protection	2020/2021	37,098	Florida Resilient Coastal Program	\$75,000	100593
State Program B	State Awarding Agency	State Fiscal Year	CSFA Number	CSFA Title or Funding Source Description	Funding Amount	State Appropriation Category
<b>Total Award</b>					<b>\$75,000</b>	

Note: List applicable compliance requirement in the same manner as illustrated above for federal resources. For matching resources provided by the Department for DEP for federal programs, the requirements might be similar to the requirements for the applicable federal programs. Also, to the extent that different requirements pertain to different amount for the non-federal resources, there may be more than one grouping (i.e. 1, 2, 3, etc) listed under this category.

For each program identified above, the recipient shall comply with the program requirements described in the Catalog of Federal Domestic Assistance (CFDA) [www.cfda.gov] and/or the Florida Catalog of State Financial Assistance (CSFA) [https://apps.fldfs.com/fsaa/searchCatalog.aspx], and State Projects Compliance Supplement (Part Four: State Projects Compliance Supplement [https://apps.fldfs.com/fsaa/state\_project\_compliance.aspx]). The services/purposes for which the funds are to be used are included in the Agreement's Grant Work Plan. Any match required by the Recipient is clearly indicated in the Agreement.

**Attachment 5, Exhibit 1**

**STATE OF FLORIDA  
DEPARTMENT OF ENVIRONMENTAL PROTECTION  
PROGRAM-SPECIFIC REQUIREMENTS  
FOR THE FLORIDA RESILIENT COASTLINES PROGRAM**

**ATTACHMENT 6**

1. Permits. The Grantee acknowledges that receipt of this grant does not imply nor guarantee that a federal, state or local permit will be issued for a particular activity. The Grantee agrees to ensure that all necessary permits are obtained prior to implementation of any grant-funded activity that may fall under applicable federal, state or local laws. Further, the Grantee shall abide by all terms and conditions of each applicable permit for any grant-funded activity. Upon request the Grantee must provide a copy of acquired and approved permits for the project.
2. Ineligibility. If the Grantee fails to perform in accordance with the terms and conditions set forth in this Agreement; Attachment 3, Grant Work Plan; and all other attachments and exhibits, the Grantee shall be ineligible to be considered for funding under the Florida Resilient Coastlines Program for two (2) consecutive funding cycles. The Department shall make its determination of ineligibility within thirty (30) days of the Agreement end date and notify the Grantee in writing if determined ineligible.
3. The Department reserves the right to reduce any fixed priced line item payment in the Agreement, Attachment 3, Grant Work Plan, where in the actual costs incurred are more than 5% less than the original budgeted fixed price value set forth in this Agreement.
4. Additional Documentation for Contractual Costs. In addition to the documentation requirements in paragraph 11, Subcontracting, Attachment 2, and, paragraph 9. c. Contractual Costs (Subcontractors), Attachment 1, Grantee shall provide the following for or all sub-contractual agreements that the Grantee executes for this project:
  - a. A valid link or documentation that outlines their entity's procurement processes that is required in Attachment 1, paragraph 9. c.
  - b. A signed certification statement by the Grantee's designated grant manager, indicating the procurement process that was utilized per their entities' policies and procedures, for all sub-contractors. The certification must include a listing of all sub-contractor quotes/bids amounts, with the company name, address, and the details of how/why they made their determinations for those sub-contractors that were selected and utilized for this Agreement.
5. The following replaces paragraph 8. Payment g. Final Payment Request, Attachment 1, Standard Terms and Conditions:
  - a. Final Payment Request. A final payment request must be submitted to the Department no later than fifteen (15) days following the completion of the project or the expiration date of the Agreement to ensure the availability of funds for payment, which ever date comes first.
6. The following replaces paragraph 10, Status Reports, Attachment 1, Standard Terms and Conditions:
  - a. Status Reports. The Department may require the Grantee to submit the status report on Exhibit A, Progress Report Form, to the Department's Grant Manager, with every task completion, and submittal of deliverables. The Exhibit A, Progress Report Form, must include a description of the work performed during the reporting period, problems encountered, problem resolutions, scheduled updates, proposed work for the next reporting period, and the percentage of the work that has been completed to date.
  - b. Quarterly Reports. The Grantee shall submit status reports quarterly on Exhibit A, Progress Report Form, to Department's Grant Manager describing the work performed during the reporting period, problems encountered, problem resolutions, scheduled updates, proposed work for the next reporting period, and the percentage of the work that has been completed to date. Quarterly status reports are due no later than five (5) days following the

completion of the quarterly reporting period. For the purposes of this reporting requirement, the quarterly reporting periods end on March 31, June 30, September 30 and December 31. The Department will review required reports submitted by Grantee within thirty (30) days.

- c. Final Project Report. The Grantee shall submit Exhibit F, Final Project Report Form, prior to requesting final payment. The Final Project Report may be submitted in lieu of the final Quarterly Report described above, only in instances where the next quarterly report falls after the project completion date.
7. Attachment 3, Grant Work Plan, 15. Performance Measures shall require that all deliverables and reports submitted to DEP will be Americans with Disabilities Act (ADA) also known as 508 Compliant, in all formats provided.
8. Copyright, Patent and Trademark. The Department reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, for state government purposes.
  - a. The copyright in any work developed under this Agreement.
  - b. Any rights or copyright to which the Grantee or subcontractor purchases ownership with grant support.
9. Grant funds may not be used to support ongoing efforts to comply with legal requirements, including permit conditions, mitigation and settlement agreements.

**DEPARTMENT OF ENVIRONMENTAL PROTECTION  
Progress Report Form**

**Exhibit A**

<b>DEP Agreement No.:</b>	<b>R2110</b>		
<b>Grantee Name:</b>	Town of Lake Park		
<b>Grantee Address:</b>	535 Park Ave., Lake Park, FL 33403		
<b>Grantee's Grant Manager:</b>	Richard Scherle	<b>Telephone No.:</b>	561-881-3345
<b>Project Title:</b>	Coastal Vulnerability, Risk & Adaptation Analysis		
<b>Reporting Period:</b>	(MM/DD/YYYY – MM/DD/YYYY)	<b>Report Type:</b> (Select only one)	Quarterly Status Update
<p><b>INSTRUCTIONS:</b> Provide the following information for <b>all tasks and deliverables identified in the Grant Work Plan</b>: a summary of project accomplishments for the reporting period; a comparison of actual accomplishments to goals for the period; if goals were not met, provide reasons why; provide an update on the estimated time for completion of the task and an explanation for any anticipated delays and identify by task; indicate the percentage of the task that has been completed to date.</p> <p><b>NOTE:</b> Use as many pages as necessary to cover all tasks in the Grant Work Plan.</p>			
<b>The following format should be followed:</b>			
<p><b>Task 1:</b>  <b>Progress for this reporting period:</b></p> <p><b>Identify any delays or problems encountered:</b></p> <p><b>Percentage of task completed:</b></p>			
<p><b>Task 2:</b>  <b>Progress for this reporting period:</b></p> <p><b>Identify any delays or problems encountered:</b></p> <p><b>Percentage of task completed:</b></p>			

This report is submitted in accordance with the reporting requirements of DEP Agreement No. R2110 and accurately reflects the activities associated with the project.

\_\_\_\_\_  
Signature of Grantee's Grant Manager

\_\_\_\_\_  
Date





**DEPARTMENT OF ENVIRONMENTAL PROTECTION  
FLORIDA RESILIENT COASTLINES PROGRAM**

**INSTRUCTIONS FOR COMPLETING  
EXHIBIT C**

**DEP AGREEMENT NO.:** This is the number on your grant agreement that starts with R####.

**PAYMENT REQUEST NO.:** This is the number of your payment request, not the quarter number.

**REQUEST DATE:** This is the date you are submitting the report to DEP.

**GRANTEE'S GRANT MANAGER:** This is the person identified as grant manager in the grant agreement.

**GRANTEE:** Enter the name of the grantee's agency.

**MAILING ADDRESS:** Enter the address to which you want the state warrant (payment) sent.

**TASK NO.:** Enter the number of the TASK for which you are requesting payment. **NOTE: More than one task may be submitted for payment request. However, Part II and Part III REQUIRE a separate table for each task requesting payment for.**

**TOTAL AMOUNT REQUESTED:** This should match the amount on the "TOTAL AMOUNT" line for the "AMOUNT OF THIS CLAIM" column.

**PERFORMANCE PERIOD - Date Range:** This is the beginning and ending date of the reporting period requesting reimbursement for. **NOTE: This date can not be before the Grant Execution Date, nor after the Grant End Date.**

**GRANT EXPENDITURES SUMMARY SECTION:**

Enter the total amount budgeted as approved in Attachment 3 in the "BUDGETED AMOUNT" line.

Enter the amount of this request as approved in Attachment 3 in the "AMOUNT OF THIS REQUEST" line.

Enter the total cumulative amount of this request and all previous payments on the "PAYMENTS RECEIVED" line.

The amount for the "REMAINING AMOUNT" line, will automatically calculate and populate.

**"AMOUNT OF THIS REQUEST" COLUMN:** Enter the amount that was paid out for all listed tasks during the invoice period for which you are requesting reimbursement.

This must be by budget category as in the currently approved budget in Attachment 3 (Project Work Plan), or amendment of your grant Agreement.

Do not claim expenses in a budget category that does not have an approved budget.

Do not claim items that are not specifically identified in the current Budget section of Attachment 3.

**NOTE:** Shaded areas in tables are auto calculated, and are indicated with "\$ -".

**GRANTEE CERTIFICATION:** Must have the original signature of both the Grantee's Grant Manager and the Grantee's Fiscal Agent as identified in the grant agreement.

**REQUIRED BACK-UP DOCUMENTATION FOR EACH TASK REQUESTING PAYMENT FOR:**

Completed all parts of Exhibit C showing requested funds for payment - **Parts II & III Not required for Fixed Price Agreements.**

**NOTE:** Parts II & III have an example line entered in the table. You may delete this line of text out in copied tables for additional tasks.

Completed Exhibit A (Progress Report) showing requested task to be 100% completed, for requested funds.

Copies of all invoices to the Grantee.

Proof of Payment (Copies of canceled checks, front and back, Bank Statement, or EFT verification) - **Not required for Fixed Price Agreements.**

If a sub-contractor was used for any work on the project, a copy of the signed agreement between the sub-contractor and Grantee must be submitted to DEP before payments will be processed.

Other supporting documentation, as needed.

### CONTRACTUAL DETAIL

Complete one table per Task containing Contractual Reimbursement Requests  
 Add rows as needed for each table. Add tables as needed, if more than one task is included in this invoice.  
 Be sure to attach the executed agreement(s) between the Grantee and Sub-contractors (if not previously submitted).  
 Be sure to attach original invoices to the Grantee, and proof of payment documents.  
 Formulas are included in some of the spreadsheet cells, denoted with "\$ -".

<b>Task Number:</b>									
Contractual Services									
Performance Period or Date Completed	Sub-contractor Name	Description of Good/Services Provided	Sub- contractor Invoice Number	Sub- contractor Invoice Date	Amount Paid (Total on the check paid)	Payment Method Used	Check # or CC Type (if applicable)	Proof of Payment Provided	Amount Claimed (Not to exceed task budgeted amount)
1/10/19 - 4/15/19	EXAMPLE - John Smith	Completed Shareholder Meeting 1 and reports	15846	05/01/19	\$ 15,000.00	Check	24589	Cancelled Check	\$ 2,500.00
<b>Contractual Total</b>									\$ -

### SALARY AND FRINGE DETAIL

Complete one table for each task containing Salary, Fringe, and Indirect Cost Reimbursement Requests.  
 Add rows as needed for each table. Add tables as needed, if more than one task is included in this invoice.  
 Be sure to attached timesheets showing hours worked for each task, with the employee name.  
 Be sure to attached a copy of employee's pay stubs as proof of payment showing employee name and date payment was made.  
 Formulas are included in some of the spreadsheet cells, denoted with "\$ -".

<b>Task Number:</b>										
Salary										
Position Title	Employee Name	Performance Period or Date Completed	Total Hours Worked	Hourly Wage	Total Amount Paid	Date Paid	Payment Type Used	Check # or CC Type (If applicable)	Proof of Payment Provided	Amount Claimed
Example	John Doe	1/12/19 - 3/10/19	84.00	\$ 25.00	\$ 3,500.00	3/30/2019	Check	24589	Cancelled Check	\$ 2,100.00
										\$ -
										\$ -
										\$ -
										\$ -
										\$ -
										\$ -
<b>TOTAL SALARY</b>										\$ -
Fringe										
Position Title	Employee Name	Performance Period or Date Completed	Fringe Rate (% of Salary)	Fringe Amount	Total Amount Paid	Date Paid	Payment Type Used	Check # or CC Type (If applicable)	Proof of Payment Provided	Amount Claimed
Example	John Doe	1/12/19 - 3/10/19	15.00%	\$ 315.00	\$ 450.00	3/30/2019	Check	24589	Cancelled Check	\$ 315.00
0	0	0	0	\$ -		1/0/1900	0	0	0	\$ -
0	0	0	0	\$ -		1/0/1900	0	0	0	\$ -
0	0	0	0	\$ -		1/0/1900	0	0	0	\$ -
0	0	0	0	\$ -		1/0/1900	0	0	0	\$ -
0	0	0	0	\$ -		1/0/1900	0	0	0	\$ -
0	0	0	0	\$ -		1/0/1900	0	0	0	\$ -
<b>TOTAL FRINGE</b>										\$ -
Indirect										
Description of Indirect Costs		Performance Period or Dates Utilized	Indirect Rate (% of Salary & Fringe)	Indirect Amount Incurred	Eligible Amount	Amount Claimed				
EXAMPLE - Printing and postage		1/12/19 - 3/10/19	5.00%	\$ 120.75	\$ 120.75	\$ 120.75				
					\$ -	\$ -				
<b>TOTAL INDIRECT</b>					\$ -	\$ -				

**EXHIBIT F**

**DEP AGREEMENT NO. R2110**

**Coastal Vulnerability, Risk & Adaptation Analysis**

**Town of Lake Park**

**Final Project Report**



This report funded in part, through a grant agreement from the Florida Department of Environmental Protection. The views, statements, findings, conclusions and recommendations expressed herein are those of the author(s) and do not necessarily reflect the views of the State of Florida or any of its subagencies.

*Month & year*

**Exhibit F, DEP Agreement #: R2110**

1 of 4

Rev. 3/11/2019

**Final Project Report**

*Coastal Vulnerability, Risk & Adaptation Analysis*

**Executive Summary**

[Empty box for Executive Summary content]

**Methodology**

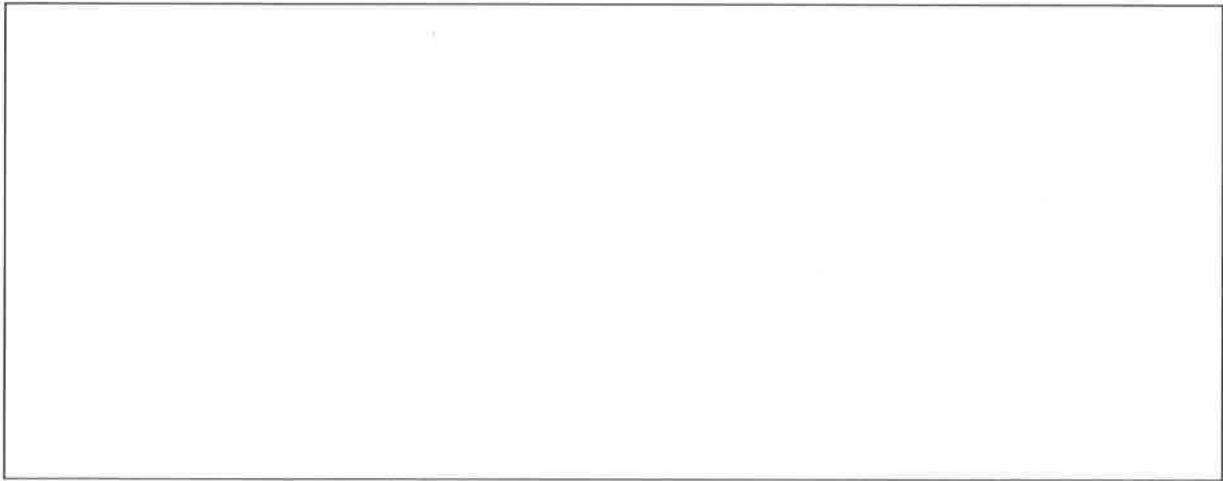
[Empty box for Methodology content]

**Outcome**

[Empty box for Outcome content]



**Further Recommendations**



REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

**INSTRUCTIONS FOR COMPLETING  
ATTACHMENT F  
FINAL PROJECT REPORT FORM**

**DEP AGREEMENT NO.:** This is the number on your grant agreement that starts with R####.  
**GRANTEE NAME:** Enter the name of the grantee's agency.  
**PROJECT TITLE:** Enter the Title shown on the first page of the grant agreement.  
**MONTH & YEAR:** Enter month and year of publication.

The Final Project Report must contain the following sections: Executive Summary, Methodology, Outcome and Further Recommendations. The Final Project Report must comply with the publication requirements in the Grant Agreement. Please limit final project report to no more than five pages. One electronic copy shall be submitted to the Department's Grant Manager, for approval. Final payment will be held until receipt and approval of the Final Project Report.

Questions regarding completion of the Final Project Report should be directed to the Department's Grant Manager, identified in paragraph 18 of this Agreement.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK





**Florida Department of Environmental Protection**  
**EXHIBIT G**  
**PHOTOGRAPHER RELEASE FORM**  
**FOR PHOTOGRAPHS, VIDEOS, AUDIO RECORDINGS AND ARTWORKS**

---

**DEP AGREEMENT No. R2110**

**RELEASE FORM FOR PHOTOGRAPHS, VIDEOS, AUDIO RECORDINGS AND ARTWORKS**

Owner/Submitter's Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone Number: (\_\_\_\_) \_\_\_\_\_ Email: \_\_\_\_\_

**License and Indemnification**

I certify that I am the owner of the photograph(s), video(s), audio recording(s) and/or art work(s) being submitted and am 18 years of age or older.

I hereby grant to the Florida Department of Environmental Protection the royalty-free and non-exclusive right to distribute, publish and use the photograph(s), video(s), audio recording(s) and art work(s) submitted herewith ("the Work") to promote the Florida Department of Environmental Protection. Uses may include, but are not limited to, promotion of the Florida Department of Environmental Protection, including, but not limited to, through publications, websites, social media venues and advertisements and distributed to the media and in commercial products. The Florida Department of Environmental Protection reserves the right to use/not use any Work as deemed appropriate by the Florida Department of Environmental Protection. No Work will be returned once submitted.

I hereby acknowledge that the Florida Department of Environmental Protection shall bear no responsibility whatsoever for protecting the Work against third party infringement of my copyright interest or other intellectual property rights or other rights I may hold in such Work, and in no way shall be responsible for any losses I may suffer as a result of any such infringement; and I hereby represent and warrant that the Work does not infringe the rights of any other individual or entity.

I hereby unconditionally release, hold harmless and indemnify Florida Department of Environmental Protection, its employees, volunteers, and representatives of and from all claims, liabilities and losses arising out of or in connection with the Florida Department of Environmental Protection's use of the Work. This release and indemnification shall be binding upon me, and my heirs, executors, administrators and assigns. I have read and understand the terms of this release.

Owner Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Photo/Video/Audio/Artwork Recording Filename(s): \_\_\_\_\_

Location of photo/video/audio recording/artwork: \_\_\_\_\_

Name of Person Accepting Work Submission: \_\_\_\_\_

**Exhibit G, DEP Agreement #: R2110**

1 of 1

# TAB 13

# **Ordinance on First Reading**

# TAB 14



Town of Lake Park Town Commission

Agenda Request Form

Meeting Date: August 5, 2020

Agenda Item No.

**Agenda Title:** AN ORDINANCE OF THE TOWN COMMISSION OF THE TOWN OF LAKE PARK, FLORIDA, AMENDING CHAPTER 78, ARTICLE III, SECTIONS 78-2 TO ADD THE DEFINITION OF SMALL SCALE FOOD AND BEVERAGE PRODUCTION; PROVIDING FOR THE AMENDMENT OF SECTION 78-71, THE C-1 BUSINESS DISTRICT TO ADD SMALL SCALE FOOD AND BEVERAGE PRODUCTION AS A SPECIAL EXCEPTION USE; PROVIDING FOR THE REPEAL OF ALL ORDINANCES IN CONFLICT HERewith; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

- SPECIAL PRESENTATION/REPORTS
- BOARD APPOINTMENT
- ORDINANCE ON 1<sup>st</sup> READING – PUBLIC HEARING
- NEW BUSINESS
- OTHER
- CONSENT AGENDA
- OLD BUSINESS

Approved by <sup>ACTINIA</sup> Town Manager *Nadia Di Tommaso* Date: 7/30/2020  
 Name/Title Nadia Di Tommaso / Community Development Director

<b>Originating Department:</b>  Community Development	<b>Costs: \$ Legal Review / Legal Ad/Notices</b>  Funding Source: Town Attorney / CD  Acct: #105 / #500-34910 / #500-48100 <input type="checkbox"/> Finance <i>J. Caruso</i>	<b>Attachments:</b>  → Staff Report → Ordinance <u>8</u> -2020 → Legal Ad and Notices → The Role of F&B REPORT → Kitchen Incubators REPORT
<b>Advertised:</b> Date: 06/26/20 Paper: Palm Beach Post <input type="checkbox"/> Not Required	All parties that have an interest in this agenda item must be notified of meeting date and time. The following box must be filled out to be on agenda.	Yes I have notified everyone <u>ND</u> or Not applicable in this case ___  <b>Please initial one.</b>

Summary Explanation/Background:

Please refer to the Staff Report.

**Recommended Motion:** I MOVE TO APPROVE ORDINANCE NO. 08-2020 on first reading.



Town of Lake Park  
Community Development Department

TOWN COMMISSION  
Meeting Date: August 5, 2020 – 6:30pm (or as soon  
thereafter as can be heard)

---

## STAFF REPORT

**AGENDA ITEM:** Staff-initiated text amendments proposing to incorporate a “Small Scaled Food and Beverage Production” Use in the Commercial-1 (C-1) Zoning District as a special exception use.

**Planning & Zoning Board Meeting:** July 6, 2020, Approved (3-1). The Board asked whether the incorporation of this new special exception use would allow an owner to either locate within an existing building or develop on a vacant parcel. Staff explained that both would apply as long as the parcel/site is located within the designated zoning district that includes the use. Chair Thomas explained that she is in favor of this use, but that she has voted against it only because she thinks it should be incorporated in other zoning districts, possibly the C-2 and C-4 as well. This is certainly something the Town Commission can consider given this recommendation and the Ordinance can be revised and brought back on **first** reading (with additional notices sent out) if this is the desire of the Town Commission. Right now, the Ordinance is structured to allow for an incremental integration of the use within our C-1 business district area that runs along the east side of 10<sup>th</sup> Street and along the south side of Northlake Boulevard (*larger scale production/manufacturing is also already permitted in our most intense industrial area-CLIC*). The intent is to possibly expand the use into other districts in the future after its success is measured, or possibly the demand presents itself.

---

### **Background Summary**

Over the past few years, the Town has developed a unique, innovative and forward-thinking trend that has allowed for a variety of different development types to be considered within the Town limits. A perfect example is the brewery district created within the Park Avenue Downtown District and the Commercial-2 (C-2) district and the mixed-use district created along the US-1 corridor. This has generated a great deal of *positive*, economically driven attention to the Town and real life projects that have brought these changes to reality. This private-sector attention also presented an opportunity for the Town to once again stand out from its counterparts and consider a ‘small scaled food and beverage production’ use within its commercial and mixed-use districts to accommodate, diversify and synergize the uses already embraced by the Town. For decades (and throughout history), the food and beverage sector has played an important role in expanding economic opportunity. When most think about economic opportunity, many think of large corporations and developers with deep pockets wanting to take over towns and cities, rather than diversity. The Town’s vision has been far separated from this concept and while we have created districts that promote large development scenarios, we also created districts that allow for economic opportunity on a smaller, more diverse scale, for the smaller entrepreneur. This agenda item proposes a use that is in line with this ideology.

Ultimately,

For the poor, livelihood choices – in employment and entrepreneurship – are constrained by a wide range of interdependent obstacles, ranging from geographic isolation to market failures to political exclusion. This suggests that when we think about eradicating poverty, we should think broadly about creating economic opportunity. Economic opportunity is not, in itself, a solution; instead it is a context in which individuals can create their own solutions. It is a combination of factors that enables the poor to manage their assets in ways that generate incomes and options.

(...)

Creating or expanding economic opportunity could rightly be considered a responsibility of governments toward their citizens.

(...)

The food & beverage industry has a unique role in expanding economic opportunity because it is universal to human life and health. The industry operates at multiple levels of society: families grow crops for their own consumption, communities trade fresh produce and home-processed goods, local companies transform domestic crops for local markets, and international corporations purchase commodities globally to deliver products across geographies.

(...)

Increasing the number and scale of such initiatives requires new approaches that stretch 'business as usual' practices.

**SOURCE:** 2007 – The Role of the Food & Beverage Sector in Expanding Economic Opportunity (*Economic Opportunity Series, Harvard University, John F. Kennedy School of Government*)

In addition, the U.S. Kitchen Incubators Industry update ([enclosed as well as a resource](#)) indicates:

**Entrepreneurs and facility operators alike are in need of greater support, including professional development, capacity building, and technical assistance. In-demand support includes operations and planning; product development; branding, sales and marketing; affordable sourcing; accessing trained labor; and distribution/logistics support. Operators are seeking support with evidence-based entrepreneur programming and development.**

## **PROPOSAL**

*The provisions provided in **RED** represent the **NEW** Town Code language proposed by Staff.*

The Town encourages the evolution of emerging businesses, industries, and technologies in order to provide sustainable, year-round, and well-compensated job opportunities to the citizens of the Town of Lake Park. Consequently, Staff is looking to expand the envelope

and consider “Small Scaled Food and Beverage Production” in its Commercial-1 (C-1) zoning district (for now) as a special exception use, and possibly other zoning districts in the future to expand opportunity and promote entrepreneurship and start-ups.

*Town Code Section 78-2 – Definitions*

**Small Scaled Food and Beverage Production** means an enterprise that conducts the production of prepared food and/or beverages for local or regional wholesale or retail distribution, or both. Such uses include, but are not limited to, wholesale or retail bakeries, commercial kitchens, and specialty food and/or beverage processing or packaging shops, but excludes meat or seafood processing plants.

*Town Code Section 78-71 (2) – C-1 Business District Special Exception Use*

g. Small Scaled Food and Beverage Production as a special exception use provided the criteria of Section 78-184 and the following are met:

1. **Scale of Use.** The floor area of the use shall not exceed 30,000 square feet.
2. **Hours of Operation near Residential.** When abutting or within 200 feet of a residential zoning district boundary, measured from property line to property line, the use shall not operate or have any loading or delivery activities between the hours of 9:00 PM and 7:00 AM.
3. **No Nuisance Created.** The use shall not create or cause any perceptible noise, odor, smoke, electrical interference, or vibrations that constitute a public or private nuisance to neighboring properties. Documentation evidencing these elements shall be required at the time of application for special exception approval.

Oftentimes, the above proposed use is operated in conjunction with a restaurant and additional retail uses when it is used to create an incubator scenario for small scaled food and beverage entrepreneurs that require standalone commercial kitchens and associated equipment to start and grow their food and beverage related products, while learning the necessary business skills to become successful in their trade. Ultimately, this is the intent of the proposed Ordinance (*as opposed to the typical large-scale food manufacturing ideology*)

A copy of the Town’s Official Zoning Map is included on the next page. It identifies the C-1 zoning district within which this use is being proposed. The use may be expanded into other districts in the future after its success is measured, or possibly the demand presents itself.





# Lake Park Zoning Map



**Legend**

TOWN BOUNDARY	CLIC CAMPUS LIGHT INDUSTRIAL & COMMERCIAL	R1 SINGLE FAMILY RESIDENCE DISTRICT	R2A MULTIPLE FAMILY RESIDENCE DISTRICT
Planned Unit Development Overlay	CONSERVATION	R1A SINGLE FAMILY RESIDENCE DISTRICT	R3 MULTIPLE FAMILY RESIDENCE DISTRICT
NBOZ Overlay	MU MIXED USE	R1AA RESIDENCE DISTRICT	TND TRADITIONAL NEIGHBORHOOD DEVELOPMENT
CRA Overlay	P PUBLIC DISTRICT	R1B TWO FAMILY RESIDENCE DISTRICT	
FH/MUDO Federal Highway Mixed Use District Overlay	PADD PARK AVENUE DOWNTOWN DISTRICT	R2 MULTIPLE FAMILY RESIDENCE DISTRICT	
C-1 BUSINESS DISTRICT			
C-2 BUSINESS DISTRICT			
C-3 BUSINESS DISTRICT			
C-4 BUSINESS DISTRICT			

Calvin, Giordano & Associates, Inc.  
PLANNING & CONSULTANTS

GIS Produced and Published by the City of Lake Park, Florida  
Geographic Information Systems Center

0 0.25 0.5 1 Miles

Map Date: 10/8/2015

Nadia Di Tommaso - Director  
Community Development Department  
Town of Lake Park  
535 Park Ave., Lake Park, FL 33403  
561-861-3319 561-861-3323 (fax)  
ndtommaso@lakeparkflorida.gov

## Staff Recommendation

Staff recommends APPROVAL of the proposed text amendments to Town Code Sections 78-2 and 78-71 to allow for a Small Scaled Food and Beverage Production uses to be defined and incorporated in the C-1 zoning district, as proposed by staff.

\*\* All property owners within the C-1 District were noticed with a letter that was mailed out on June 26, 2020 and an advertisement was also placed in the PB Post on June 26, 2020. An additional advertisement will be placed prior to 2<sup>nd</sup> reading. \*\*

**ORDINANCE NO. 08-2020**

**AN ORDINANCE OF THE TOWN COMMISSION OF THE TOWN OF LAKE PARK, FLORIDA, AMENDING CHAPTER 78, ARTICLE III, SECTIONS 78-2 TO ADD THE DEFINITION OF SMALL SCALED FOOD AND BEVERAGE PRODUCTION; PROVIDING FOR THE AMENDMENT OF SECTION 78-71, THE C-1 BUSINESS DISTRICT TO ADD SMALL SCALED FOOD AND BEVERAGE PRODUCTION AS A SPECIAL EXCEPTION USE; PROVIDING FOR THE REPEAL OF ALL ORDINANCES IN CONFLICT HEREWITH; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the Town of Lake Park, Florida is a duly constituted municipality having such power and authority conferred upon it by the Florida Constitution and Chapter 166, Florida Statutes; and

**WHEREAS**, the Town Commission has adopted a Land Development Code in Subpart B of Chapter 78 of the Town Code; and

**WHEREAS**, the Land Development Code within Chapter 78 consists of several Chapters and identifies the Town's various zoning districts and the land development regulations to be applied within these districts and with general definitions; and

**WHEREAS**, the definitions are codified in Section 78-2 and one of these zoning districts is the Commercial-1 (C-1); and

**WHEREAS**, the Community Development staff has recommended that the Town Commission amend Town Code, Chapter 78, Article III, Sections 78-2 and 78-71(2)g., to provide for the creation of a small scaled food and beverage production use as a special exception use, along with its associated definitions and land development regulations.

**NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COMMISSION OF THE TOWN OF LAKE PARK, FLORIDA:**

**Section 1.** The whereas clauses are incorporated herein as true and correct and as the legislative findings of the Town Commission.

**Section 2.** Chapter 78, Article III, Sections 78-2 and 78-71(2)g. of the Town Code is hereby amended to add to the definitions and uses the following:

**Chapter 78, Article III, Sec. 78-2. "Definitions"**

**Small Scaled Food and Beverage Production** means an enterprise that conducts the production of prepared food and/or beverages for local or regional wholesale or retail distribution, or both. Such uses include, but are not limited to, wholesale or retail bakeries, commercial kitchens, and specialty food and/or beverage processing or packaging shops, but excludes meat or seafood processing plants.

**Chapter 78, Article III, Sec. 78-71(2)g., entitled "C-1 business district"**

**g. Small Scaled Food and Beverage Production as a special exception use provided the criteria of Section 78-184 and the following are met:**

- 1. Scale of Use.** The floor area of the use shall not exceed 30,000 square feet.
- 2. Hours of Operation near Residential.** When abutting or within 200 feet of a residential zoning district boundary, measured from property line to property line, the use shall not operate or have any loading or delivery activities between the hours of 9:00 PM and 7:00 AM.
- 3. No Nuisance Created.** The use shall not create or cause any perceptible noise, odor, smoke, electrical interference, or vibrations that constitute a public or private nuisance to neighboring properties. Documentation evidencing these elements shall be required at the time of application for special exception approval.

**PUBLIC NOTICE**  
**TOWN OF LAKE PARK**  
**NOTICE OF PUBLIC HEARINGS**

Please be advised that the Historic Preservation Board and Planning and Zoning Board of the Town of Lake Park will hold a public hearing on **Monday, July 6, 2020, at 6:30 p.m., or as soon thereafter as can be heard**, to hear the following items in the Lake Park Town Commission Chambers at Town Hall, located at 535 Park Avenue, Lake Park, Florida. Records related to these items may be inspected at the Community Development Department located at Town Hall. The public hearing items are as follows:

The Historic Preservation Board will hear a request to rescind the local historic designation at 324 Hawthorne Drive. This item was submitted by the owner of 324 Hawthorne Drive to rescind the local historic designation originally granted to the home on May 3, 2004 on the basis that this designation was inappropriate and imposes an undue financial burden.

The Planning and Zoning Board will consider a text amendment to add additional uses to Chapter 78, Article III, Section 78-70, the Park Avenue Downtown Zoning District (PADD). This amendment would provide for several new conditional use categories for distilleries, craft distilleries, and wineries as well as performance standards for these uses.

The Planning and Zoning Board will consider a text amendment to add additional uses to Chapter 78, Article III, Section 78-72, the C-2 Zoning District. This amendment would provide several new special exception use categories for distilleries, craft distilleries, and wineries, as well as performance standards for these uses.

The Planning and Zoning Board will consider a text amendment to add additional uses to Chapter 78, Article III, Section 78-71, the C-1 Zoning District. This amendment would provide a new special exception use category for, for small scale food and beverage production as well as performance standards for these uses.

If a person decides to appeal any decision made by the Planning & Zoning Board with respect to any hearing, they will need a record of the proceedings and for such purpose may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. For additional information, please contact Vivian Mendez, Town Clerk at 561-881-3311.

**Town Clerk:** Vivian Mendez

**PUB:** The Palm Beach Post – Friday, June 26, 2020.



*Notification of Public Meetings*

June 25, 2020

Dear Property Owner:

You are receiving this notice of public meetings because **you are the legal owner of record for property that is located in the C-1 Zoning District** discussed in this correspondence. The public meetings listed herein are being held to hear the text amendment described below the AGENDA ITEM portion of this letter.

Should you wish to attend the meetings or comment on the text amendment please take note of the date, time, and the instructions for attending and commenting detailed below. If you do not wish to attend the meetings and do not have any comments, you may disregard this notice.

**PUBLIC NOTICE  
TOWN OF LAKE PARK  
NOTICE OF VIRTUAL PUBLIC HEARING AND VIRTUAL QUASI-JUDICIAL PUBLIC HEARING**

PURSUANT TO THE AUTHORITY OF GOVERNOR DESANTIS' EXECUTIVE ORDER NUMBER 20-69, THE TOWN OF LAKE PARK PLANNING AND ZONING BOARD AND TOWN COMMISSION WILL BE UTILIZING COMMUNICATION MEDIA TECHNOLOGY AS PROVIDED IN SECTION 120.54(5)(b)2. FLORIDA STATUTE.

DUE TO GOVERNOR DESANTIS' EXECUTIVE ORDER 20-69, THE PLANNING AND ZONING BOARD OF THE TOWN OF LAKE PARK, FLORIDA WILL CONDUCT A VIRTUAL MEETING UTILIZING COMMUNICATION MEDIA TECHNOLOGY ON **Monday, July 6, 2020 AT 6:30 P.M.** OR AS SOON THEREAFTER AS CAN BE HEARD. COMMUNICATION MEDIA TECHNOLOGY WILL BE USED TO BE TRANSPARENT TO THE PUBLIC. A QUORUM OF THE TOWN COMMISSION OF THE TOWN OF LAKE PARK, FLORIDA AND PUBLIC PARTICIPATION WILL OCCUR USING COMMUNICATION MEDIA TECHNOLOGY.

Members of the public that wish to view the meeting may do so by joining Zoom from your computer, tablet or smartphone via:

Join Zoom Meeting

<https://us02web.zoom.us/j/86749869898?pwd=UDZidHdaaXE0YlFXTWlrOzVxdzJwQT09>

Meeting ID: 867 4986 9898  
Password: 569770

Dial by your location  
+1 929 205 6099 US (New York)

Meeting ID: 867 4986 9898

Password: 569770

Find your local number: <https://us02web.zoom.us/j/kcxhtoTBLW>

Public comment must be submitted 24-hour in advance of the meeting to the Town Clerk at [townclerk@lakeparkflorida.gov](mailto:townclerk@lakeparkflorida.gov) or Community Development Department at [krowley@lakeparkflorida.gov](mailto:krowley@lakeparkflorida.gov).

**AGENDA ITEM**

The Planning and Zoning Board will consider a text amendment to add additional uses to Chapter 78, Article III, Section 78-71, the C-1 Zoning District. This amendment would provide a new special exception use category for small-scale food and beverage production as well as performance standards for these uses.

**PUBLIC HEARING**

MEETING: PLANNING AND ZONING  
LOCATION: ZOOM (VIRTUAL) MEETING  
DATE: MONDAY, JULY 6, 2020  
TIME: 6:30 P.M.

MEETING: TOWN COMMISSION  
LOCATION: TOWN HALL COMMISSION CHAMBERS (535 PARK AVENUE, LAKE PARK, FL, 33403) – PLEASE VISIT THE TOWN WEBSITE IN ADVANCE OF THESE MEETINGS IN THE EVENT THE MEETING BECOMES A VIRTUAL MEETING INSTEAD OF AN IN-PERSON MEETING.  
WEDNESDAY, AUGUST 5, 2020 (FIRST READING) AND  
DATE: WEDNESDAY, AUGUST 19, 2020 (SECOND READING FOR FINAL ADOPTION)  
TIME: 6:30 P.M., OR AS SOON THEREAFTER AS CAN BE HEARD.

Should you wish to review any of the documents associated with the application, or if you have further questions about the application please contact Anders Viane at 561 881 3320 or [aviane@lakeparkflorida.gov](mailto:aviane@lakeparkflorida.gov).

Anyone wishing to appeal any decision made by the Planning and Zoning Board or Town Commission with respect to any matter considered at any meeting or hearing will need a record of the proceedings and, for such purpose, may need to ensure that a verbatim record of the proceeding is made, which record includes the testimony and evidence upon which the

appeal is to be based. One or more Town Commissioners and/or Board members may be participating in this meeting.



## Table of Contents

PREFACE	4
<i>Beth Jenkins, CSR Initiative, Kennedy School of Government, Harvard University</i>	
<b>1. THE ROLE OF THE FOOD &amp; BEVERAGE SECTOR IN EXPANDING ECONOMIC OPPORTUNITY</b>	<b>6</b>
1.1 The Advantage of Large Firms	
1.2 Learning from Existing Research	
1.3 Learning from Case Studies	
1.4 Methodology	
<b>2. THE BUSINESS CASE FOR ENGAGEMENT</b>	<b>9</b>
2.1 The Need for Sustainable Food & Beverage Production	
2.2 Improving Global Supply Chains	
2.3 Developing Local Food & Beverage Markets	
<b>3. BUSINESS STRATEGIES FOR EXPANDING ECONOMIC OPPORTUNITY</b>	<b>13</b>
3.1 Creating Inclusive Business Models	
3.2 Building Human and Physical Capital	
3.3 Improving the Enabling Environment	
<b>4. FUTURE OPPORTUNITIES</b>	<b>18</b>
<b>5. CASE PROFILES</b>	<b>20</b>
5.1 Starbucks and the Conservation Coffee Alliance	
5.2 Nestlé and UNDP in Pakistan	
5.3 Reliance	
5.4 SABMiller, Cargill, and the Moravia Foundation	
5.5 Unilever and Project Novella	
5.6 Danone Grameen	
5.7 ECOM	
5.8 Coca-Cola Sabco	
<b>END NOTES</b>	<b>36</b>
<b>REFERENCES</b>	<b>39</b>
<b>LIST OF COMPANIES INTERVIEWED</b>	<b>40</b>

## Preface

*Beth Jenkins, CSR Initiative, Kennedy School of Government, Harvard University*

The past fifty years have witnessed a "revolution" in global economic growth. Yet not everyone has participated in this revolution. More than 65% of the world's population, over four billion people, still lives on the equivalent of less than \$4 per person per day. Even worse, the world's poor are severely constrained – and often completely lacking – in opportunity to do better for themselves.

The business community has both the capabilities and the strategic, business reasons to play a major role in creating these opportunities. The CSR Initiative's Economic Opportunity Series, a product of our Economic Opportunity Program, explores this role across a range of industries.

**"Economic opportunity enables people to manage their assets in ways that generate incomes and options."**

For the poor, livelihood choices – in employment and entrepreneurship – are constrained by a wide range of interdependent obstacles, ranging from geographic isolation to market failures to political exclusion. This suggests that when we think about eradicating poverty, we should think broadly about creating economic opportunity. Economic opportunity is not, in itself, a solution; instead it is a context in which individuals can create their own solutions. It is a combination of factors that enables the poor to manage their assets in ways that generate incomes and options.

Creating or expanding economic opportunity could rightly be considered a responsibility of governments toward their citizens. But in today's global market environment, various risks and opportunities provide reason for business to engage.

One key reason, across industries, is for business to leverage its own comparative advantage in society. As Milton Friedman might say, "the business of business is business" – and this is exactly what gives firms the capability and credibility to expand economic opportunity. Business activity creates jobs, cultivates inter-firm linkages, enables technology transfer, builds human capital and physical infrastructure, generates tax revenues for governments, and, of course offers a variety of products and services to consumers and other businesses. Each of these contributions has multiplier effects on development.

In developing countries, companies' multipliers often fail to reach the scale or leverage of which they might be capable – often due to market failures and governance gaps. More deliberate management attention is required to unlock their full potential.

The Economic Opportunity Series explores four key strategies companies can use to expand economic opportunity:

<b>Creating Inclusive Business Models</b>	Involving the poor as employees, entrepreneurs, suppliers, distributors, retailers, customers, and sources of innovation in financially viable ways
<b>Developing Human Capital</b>	Improving the health, education, experience, and skills of employees, business partners, and members of the community
<b>Building Institutional Capacity</b>	Strengthening the industry associations, market intermediaries, universities, governments, civil society organizations, and grassroots groups who must all be able to play their roles effectively within the system
<b>Helping to Optimize the "Rules of the Game"</b>	Shaping the regulatory and policy frameworks and business norms that help determine how well the economic opportunity system works and the extent to which it is inclusive of the poor



There is enormous variation in the roles companies can play, depending on their industries, their particular business models and relationships, and the contexts in which they operate. The industry reports in the Economic Opportunity Series explore this variation, offering more specific and detailed examples for different industry sectors. The research suggests, in general, that inclusive business models can be the most effective and sustainable ways companies can contribute. Complementary strategies such as developing human capital, building institutional capacity, and helping to optimize the “rules of the game” can also have significant impacts. These strategies are often used in combination with inclusive business models, to enhance both their commercial viability and their development impact.

The research that has gone into this series also suggests that company efforts to expand economic opportunity can draw upon core business, philanthropic, and public donor funding, depending on the balance of business and social benefits expected, the likely timeframe for their realization, and the level of uncertainty or risk involved. Hybrid approaches are increasingly common.

So is collaboration. Complex, systemic challenges like expanding economic opportunity present frustratingly frequent bottlenecks to unilateral action, corporate or otherwise. Even the best-resourced efforts eventually run into limitations on scale somewhere. Collaboration allows parties to share knowledge and information, pool scarce or diverse assets and resources, access new sources of innovation, create economies of scale, and enhance the legitimacy of the parties’ own individual activities. In addition to assembling the necessary resources and capabilities, collaboration can generate new capabilities and change operating environments in ways that create new strategic opportunities.

The Economic Opportunity Series is part of a growing effort within the business and development communities to make the links between business activity and poverty alleviation. Experimentation and learning are happening fast. As a result, the series must be considered a work-in-progress, and readers are invited to share their experience and reflections with us. We look forward to being part of the dynamic growth and development occurring in this field.

## 1 The Role of the Food & Beverage Sector in Expanding Economic Opportunity

The food & beverage industry has a unique role in expanding economic opportunity because it is universal to human life and health. The industry operates at multiple levels of society: families grow crops for their own consumption, communities trade fresh produce and home-processed goods, local companies transform domestic crops for local markets, and international corporations purchase commodities globally to deliver products across geographies.

In this diverse landscape, billions of people grow, transform, and sell food, particularly in developing countries where agriculture dominates all other economic sectors. Yet a vast share of these workers cannot both satisfy their immediate consumption needs and earn sufficient income from food markets to improve their lives. This paper provides insight into how pioneering large firms are breaking this dilemma and building economic opportunity around food & beverage value chains.

### 1.1 The Advantage of Large Firms

By tackling specific barriers in a few locations around the world, large companies are demonstrating that progress can be made: people can turn their work into incremental gains in income and improved standards of living. Unsurprisingly, companies’ interventions reflect their own business models and span agricultural production of raw materials, food processing, and distribution and marketing activities. By changing the conditions in this “field to mouth” value chain, large companies help provide stability and opportunity to thousands of people.

Such changes target the critical pre-conditions to economic opportunity. They create inclusive business models with emphasis on global or local markets, build the human and physical capital of the poor to participate effectively in food & beverage value chains, and work to overcome the adverse institutional and policy factors, among others, that prevent food & beverage value chains from fulfilling their promise of value distribution.

While such interventions are by no means the prerogative of large international firms, such firms do have advantages in taking action:

- **Knowledge of demand market.** Large companies understand both domestic and international markets, the nature of demand for foodstuffs, and therefore the ‘bar’ that the poor must clear to market their goods (not least to companies’ own purchasing departments). In many of the cases reviewed, a recurring objective is to raise the crop quality of small-scale farms, which are challenged to keep up with ever-rising standards for crop production.
- **Span across the value chain.** Additionally, the major firms in this sector operate or strongly influence entire value chains from growers to consumers. That reach is particularly powerful for creating economic

opportunity because large companies can either link poor producers to the rest of the world or strengthen local cycles of wealth creation by mobilizing growers, producers, distributors, and consumers.

- **Resources and credibility.** Not least, large companies have the weight to confront legacy approaches to production and vested interests in supply chains and the reputation to be credible partners to a wide variety of allies sharing complementary objectives. Together, they can afford to invest for the long term and infuse patient capital into transformative initiatives.

## 1.2 Learning from Existing Research

Food & beverage companies expand economic opportunity in many ways, in both rich and poor regions of the world. A number of studies have highlighted the contribution of the industry in creating both economic and social value.<sup>12-14</sup> From revenues generated by the industry worldwide, a large portion of value flows to:

- farmers involved in raw materials production
- local food processing or manufacturing capital investments
- both direct and indirect labor
- governments as taxes
- local and global investors as dividends

More specifically focused on a low-income context, Unilever and Oxfam's landmark study on the socio-economic impacts of the Unilever value chain in Indonesia demonstrated how far this value distribution can go: while the company employs 5,000 people in that country, an estimated 300,000 additional jobs are supported both upstream in food production and downstream in distribution.<sup>15</sup> Similarly, in a December 2006 Harvard Business Review article, Michael Porter and Mark Kramer highlighted the "shared value" created for both Nestlé and local communities as a result of the company's long-term investment in developing milk districts in India and Pakistan. This investment has ensured a growing source of quality supply to the local dairy market, income growth to farmers, and significant associated gains in communities' access to education and health.<sup>16</sup>

## 1.3 Learning from Case Studies

The role of large firms and of their partners in expanding economic opportunity can take a variety of forms. The emerging Indian retail giant, Reliance, is reaching into the country's own rural agricultural supply chain to provide quality foods for its stores. Nestlé is linking the economic engine of its milk supply chain in Pakistan with an initiative to support thousands of women entrepreneurs trained in livestock care. Coca-Cola Sabco, an East African bottling company, is creating hundreds of micro-businesses to improve product distribution. Whether the long-term vision is about developing local markets or global supply chains, the different scenarios all have one thing in common: they focus on the ability of poor communities to create and capture more of the value from their labor.

These cases are still exceptions, albeit formidable ones. Multinationals generally do not purchase from micro farms, but from larger, more efficient agricultural producers or trading companies that aggregate and sell food commodities. And the typical strategy for entering developing countries is not to employ and serve the poorest

of society. In fact, because of advances in food manufacturing, packaging, and marketing, the only customer segments that large firms can serve profitably with legacy business models are the wealthy few in urban centers. To produce at equal quality and at prices affordable for Bangladesh's poor, Danone Grameen, for example, had to shed a number of technologies involved in the company's mainstream approach to manufacturing, instead using more labor-intensive processes.

Increasing the number and scale of such initiatives requires new approaches that stretch 'business as usual' practices. The case studies reviewed for this report provide insight into the necessity of collaboration. All but one assign specific roles to cross-sector partners in growing inclusive business models, building the human and physical capital of the poor, and improving enabling institutions and policies. But for these efforts to lead to sustained social and economic gains also requires consideration of other dimensions: creative strategies must be developed to secure, diversify, or multiply sources of income, to protect the environment, and to scale up individual success stories to levels where vast impact can be achieved.

Finally, in comparing all the case studies, a powerful dilemma emerges regarding how best to expand economic opportunity: Are the poor better served by connecting poor producing regions to high-purchasing-power international markets, where larger margins offer more value for redistribution, or by progressively scaling up local businesses operating on extremely thin margins? Perhaps the simple answer is both are required.

## 1.4 Methodology

This report applies the results of primary and secondary research to a number of case studies to draw lessons on strategies for expanding economic opportunity in the food & beverage sector. Primary research consisted of telephone interviews with 19 experts representing large multinational or national corporations (see List of Companies Interviewed). Secondary research included a review of relevant reports, studies, and articles from a range of sources for each case study.

Findings are divided into three primary sections. Section 2 provides an overview of the business case for engagement in expanding economic opportunity in developing countries. It focuses on the motivation for intervention at global or local levels. Section 3 presents a framework developed by the authors to depict the range of strategies companies are using to tackle barriers to economic opportunity, with particular emphasis on the division of labor emerging between partners. Section 4 outlines key lessons – and concerns – for the industry in engaging in expanding economic opportunity. Finally, Section 5 provides case studies profiling the economic opportunity strategies employed by a number of different companies.

## 2 The Business Case for Engagement

### 2.1 The Need for Sustainable Food & Beverage Production

*"Depletion of natural resources and problems faced by rural communities affect agricultural productivity. Ensuring sustainable agricultural practices is in the interest of the entire food chain, from producers to consumers. And it is of urgent concern as global caloric consumption is set to double in the coming 25 years, which will require producing two to three times more agricultural products on the same amount of cultivated land." - Nestlé*

Embedded in Nestlé's motivations for investing in agricultural regions are inter-related economic and environmental interests. In fact, most cases profiled in this report feature joint agendas: finding new ways to create and share wealth while diminishing adverse impacts on nature.

Major firms in the industry are concerned about maintaining access to quality foodstuffs despite potential – often man-made – disruptions to their supply chains. These include population growth encroaching on agricultural lands, increasing water scarcity and pollution, climate change resulting in increased frequency and severity of droughts and floods, and the spread of infectious diseases affecting plants, pollinating insects, and human beings. In the context of degrading environments, the poor are particularly affected as they possess fewer resources with which to react or adapt to changing conditions. Global consumers, in turn, are increasingly willing to pay premiums for safe, organic, and sustainable products that address their health concerns, as well as their interests in preserving the environment and fighting poverty. In this equation, however, summarily depicted here, lies the opportunity for large companies to anticipate the needs of consumers, improve lives, and mitigate the environmental footprint of their industry.

### 2.2 Improving Global Supply Chains

With this outlook, food & beverage companies are naturally turning their attention to the state of agricultural supply chains, particularly around crops in high demand internationally, originating from poorer countries, based on highly fragmented production, with farmers struggling to keep up with rising standards of production in terms of both farming practices and product quality.

#### 2.2.1 Securing the Supply Chain

The crops featured in our examples have transformational potential in both environmental and economic terms. They include premium coffee that can be grown under forest cover rather than through slash-and-burn practices, and new, biodiversity-friendly native crops developed as better alternatives to existing raw materials. The initiatives surrounding these crops empower farming communities to raise production standards while

offering different levels of guarantee on product uptake. They allow participating companies to count on access to highly traceable food materials at needed quality, quantity, and price levels, and to be sure that they are not associated with environmental degradation.

Supply chain security can also be achieved more indirectly, as Nestlé is showing in Pakistan. While it has a long history of working with farmers to improve milk production standards, the company is finding another way to promote both economic activity and better food standards. Instead of training farmers directly, Nestlé agronomists, with the support of United Nations Development Programme (UNDP) and the Government of Pakistan, are developing a cohort of women entrepreneurs empowered to sell animal healthcare services to their Punjabi farm communities. Better livestock health ultimately translates into improved supply conditions for Nestlé and other local buyers.

#### 2.2.2 Developing Alternative and Innovative Food Content

Faced with growing concern about the impact of palm oil, Unilever is banking on Allanblackia (AB) oil as a long-term substitute in the production of low-cholesterol margarine. The company's extensive research on the properties of AB oil puts it in a unique position to take advantage of this new biodiversity-friendly and income-generating crop. Because the initiative does not build from an existing base of agricultural activity, it requires a multi-year commitment. As Unilever's Harrie Hendrickx states, the company plans to "bring the volumes to a level where economies of scale reduce cost and make the whole project sustainable. Then, with a new raw material established, hundreds of thousands of farmers in Africa can earn a decent living from it."

#### 2.2.3 Meeting Demand for Sustainable Products

Trading companies positioned between growers and food manufacturers are also promoting sustainable agricultural practices. One incentive is to avoid disintermediation by global companies creating direct linkages with the poor in order to offer a "responsible" value proposition to consumers. ECOM, one such trading company, is helping hundreds of coffee producers in Honduras achieve certification for responsible coffee production and sourcing, resulting in both economic gains and wider quality of life improvements in grower communities.

In some cases, companies are taking the responsible or sustainable value proposition all the way to consumers to achieve a "values premium" that goes beyond quality or safety guarantees. This includes additional efforts by lead companies and partners to gain exclusive access to crops, and to brand products on the basis of their benefits to communities and to nature. Starbucks' Conservation Coffee Alliance falls under this logic: its intervention transformed coffee production in Chiapas in Mexico, where the company is now purchasing more than 50 containers or approximately 2 million pounds of high-grade coffee annually, an increase of 48 containers from when the program first began. Together with a number of other social and environmental efforts, the objective is to position the company as responsible and maintain a positive image in a fiercely quality- and experience-conscious coffee shop industry.

## 2.3 Developing Local Food & Beverage Markets

While global companies might first focus on export-based opportunities, a number of examples also emphasize efforts to build local food & beverage value chains. In each of the cases, companies are addressing immediate or anticipated constraints to growing domestic versions of their business models. As Danone testifies, even if designed primarily as social investments, these initiatives stretch companies to innovate and develop completely new business models that rely less heavily on costly technologies, without sacrificing product integrity. Such initiatives may focus upstream on supply conditions and food processing or include distribution and consumer marketing. They create a greater diversity of jobs than do models associated with production for export, where employment is concentrated in farming.

### 2.3.1 Improving Access to Local Foodstuffs

SABMiller and Cargill are focused upstream with their initiative in Rajasthan in India to improve barley production and satisfy domestic brewing needs. A key incentive is to raise local standards sufficiently to lower the companies' dependence on international supplies of quality barley for malt production. The program is currently working in 150 villages spread through three districts of Rajasthan. The goal is to purchase up to 10,000 tons of high-grade barley locally.

Reliance India is also dependent on improving local food production. The Indian conglomerate, traditionally active in petrochemicals, is now building a chain of retail stores that will cover 1,500 sites in India. To supply its new stores, Reliance is in great need of quality produce. Farming in India, however, is highly fragmented and subject to hard climatic conditions: once harvested, it is very difficult to keep fruit and vegetables fresh under extreme temperatures. Reliance has therefore developed a network of collection centers located close to farmers. These have reduced spoilage of crops to 5% from an average of 30% and eased handling charges paid by farmers to middlemen by 50%. The plan now is to expand the model with Rural Business Hubs which, in addition to being trading centers, will provide agricultural education to improve farm yields and environmental practices. The hubs will also offer health services, shopping, and even entertainment.

### 2.3.2 Improving Distribution

Coca-Cola Sabco (CCS) is a key bottler for Coca-Cola in East and South Africa and Asia. In 2002, CCS faced distribution difficulties as a result of poor infrastructure in East Africa, where traditional methods of distribution were costly and ineffective. To address these issues, CCS designed an innovative system of Manual Distribution Centers (MDCs) that build its distribution network through small-scale enterprises. These enterprises employ eight to 10 people each and sell Coca-Cola to retail outlets within geographic radii of about 1.5 kilometers. MDC owners and staff are trained in basic principles of business, such as profit and cash flow management, customer service, optimal warehouse management, and marketing. They are also offered non-business training, for instance in HIV/AIDS awareness. Currently, there are 380 MDCs in Kenya alone, generating \$100 million in revenue annually, employing approximately 4,000 people, and supporting families of approximately 16,000 people.

### 2.3.3 Building a Culture of (Social) Innovation

Danone Grameen's joint venture in Bangladesh to produce and market yogurt in poor communities covers the entire food & beverage value chain, including upstream and downstream activities. The initiative covers the development of micro-farms for quality milk production, manufacturing using a novel process that emphasizes labor over technology, and door-to-door distribution by "Grameen Ladies." In fact, the venture goes beyond creating economic opportunity to addressing nutritional deficiencies in children, in line with Danone's mission "to bring health through food to a majority of people." While the first factory employs 30 people recruited and trained from the community, the development of micro-farms and distribution agents will employ up to 1,000 people. The initiative foresees establishing up to 50 such value chains across Bangladesh, which means employment and economic opportunity on a vast scale. Most importantly, it infuses Danone with a spirit of social innovation that challenges legacy business models.

### 3 Business Strategies for Expanding Economic Opportunity

This report has assumed that investments by large firms in expanding economic opportunity have focused on specific barriers to people's ability to work, accumulate assets, and improve their lives. Our case studies show that a number of barriers must, in fact, be tackled simultaneously. Collaborative action across sectors is often necessary, as no company or partner organization possesses all the capabilities need to overcome all barriers.

From the case studies explored in detail, we found three different levels of interventions for expanding economic opportunity: creating inclusive business models involving the poor as entrepreneurs, suppliers, distributors, retailers customers, or sources of innovation; building the human and physical capital of the poor to enable them to participate in these models; and tackling specific insituational or policy barriers in the enabling environment to enhance feasibility and impact. Behind each intervention are specific activities carried out by a variety of partners across business, government, civil society, and the international donor community (see Figure 1).

FIGURE 1 THREE INTERVENTION LEVELS TACKLED BY CROSS-SECTOR PARTNERS

	Companies	NGOs (or Academics)	Local Government / MLGs / Bilaterals
<b>Create Inclusive Business Models</b>	<ul style="list-style-type: none"> <li>• Research how to grow and commercialize crops</li> <li>• Local foodstuff transport and processing</li> <li>• Purchasing with guarantees</li> <li>• Building distribution networks and micro-businesses</li> <li>• Financing, mainly through loans</li> </ul>	<ul style="list-style-type: none"> <li>• Management of crop collection</li> <li>• Financing, mainly through loans</li> </ul>	
<b>Build Human and Physical Capital</b>	<ul style="list-style-type: none"> <li>• Training to farmers through company agronomists and promotion of alternative sources of income</li> <li>• Establishment of rural banking systems</li> <li>• Provision of new seed as well as pesticides, fertilizers, etc, life insurance, and other financial incentives</li> </ul>	<ul style="list-style-type: none"> <li>• Provision of plant material, seed development</li> <li>• Training (to farmers) on domestication or transformation of crop</li> <li>• Curriculum development and certification post-training</li> <li>• Establishment of rural banking systems</li> </ul>	<ul style="list-style-type: none"> <li>• Initiative design and (co-)financing</li> <li>• Coordination of major stakeholders and monitoring</li> <li>• Identification of implementation partners</li> <li>• Provision of loans and loan guarantees to credit providers</li> </ul>
<b>Improve the Enabling Environment including Institutions and Policies</b>	<ul style="list-style-type: none"> <li>• Development and enforcement of production standards</li> <li>• Creation of local NGOs or program centers to raise awareness and demonstrate sustainable practices</li> <li>• Investment in educational materials for local schools</li> </ul>	<ul style="list-style-type: none"> <li>• Research policies on sustainable and equitable farming</li> <li>• Research on pest management</li> <li>• Education of groups / associations for social mobilization</li> <li>• Funding of social entrepreneurs in communities, e.g. working on water access, roads, schools</li> </ul>	<ul style="list-style-type: none"> <li>• Coordinates research on domestication strategy for new crop</li> <li>• Support environmental benchmarking</li> <li>• Education to farmers on the needs for applying minimum wages</li> <li>• Support to publicize initiatives, provide relevant licenses, build trust</li> </ul>

From this perspective, a number of patterns emerge:

First, initiatives are truly collaborative: they all mobilize cross-sector partners, particularly to address community development needs. Second, interventions for creating economic opportunity do not come as single thrusts: all initiatives employ at least two of these interventions simultaneously. Indeed, creating businesses requires empowered people and supportive environments. The presence of these multiple levels of need is why most initiatives manage very complex change processes and depend on the motivation and resources of many partners.

In different ways, these three levels of intervention help to overcome a variety of barriers to expanding economic opportunity along food & beverage value chains. These barriers include the poor's lack of appropriate skills, technologies, and finance, as well as their inexperience in designing and growing businesses, and lack of awareness of the economic and business opportunities. In addition, supportive institutions, reliable infrastructure, and effective "rules of the game" are all largely missing in the contexts in which they live and work. Below, we dissect each intervention separately, while recognizing that they are all inter-connected in practice.

#### 3.1 Creating Inclusive Business Models

Key constraints to designing and implementing business models that include the poor, whether as farmers, distributors, or retailers, include their inexperience in designing and growing businesses and their difficulty in accessing financing for their operations.

##### 3.1.1 Inexperience in Designing and Growing Businesses

The poor often lack the capability to design and grow their businesses to meet the safety, quality, quantity, and other requirements of participating in the value chains of larger firms. To address this barrier, large firms are applying their expertise to help farmers and small business partners accelerate progress toward sustainable, scalable models that can create enough value to improve lives.

Upstream, farms are turned into competitive enterprises by infusing knowledge on how to grow and commercialize high-quality crops. These businesses can expand on the basis of higher prices and more stable cash flows. Starbucks, for example, has been able to pay a 20-40% premium above locally attainable prices for quality coffee in Chiapas. ECOM similarly sells certified coffee from its sustainable coffee program to Sara Lee at a \$5 premium per bag, with \$3 going to growers and \$2 to the local non-profit set up to help implement sustainable farming practices.

Companies also try to share value locally by helping to design and develop businesses further down the value chain. Unilever, for example, established an independent company to process AB nut in Tanzania and set up local buying centers which employ 45 people. Interestingly, in this case, the company goes beyond offering premium prices to secure supply; it guarantees that same price until the new operation realizes full economies of scale. Meanwhile, the company is actively searching for secondary guaranteed buyers for AB oil to improve long-term prospects for the crop.

Danone Grameen goes even further by building an entire chain of businesses from micro-farms to yogurt factories to small-scale distribution enterprises. The venture, however, faces challenging economics: with yogurt portions sold at 5 taka (\$0.07 US) in order to be affordable to local communities, little margin is available to operate this array of businesses. Consequently, a dilemma arises: is economic opportunity better delivered by connecting the poor to international but volatile markets that allow for redistribution of significant value added, or by developing local markets which face such constraints?

### 3.1.2 Lack of Financing

A key obstacle for small farmers and entrepreneurs in establishing and growing their businesses is a lack of access to finance. Credit to finance new activities or technologies can be offered directly by company programs, as in the case of the Danone Grameen joint venture, or through partners, as in the case of Conservation International's Verde Ventures, Ecologic Finance, and Calvert, which partnered with Starbucks in the Conservation Coffee Alliance. Each was already providing credit to farmers in Latin America.

In the case of Coca-Cola Subco, the International Finance Corporation (IFC) was looking for appropriate corporate partners in East Africa to drive economic development through small business creation. Through their partnership with C.C.S., IFC assisted entrepreneurs interested in setting up distribution businesses to obtain favorable financing for their operations. IFC's role was critical in encouraging local banks to become involved as well.

Governments and representative offices of global multilateral agencies play important roles in co-designing and financing many initiatives. In almost all cases profiled here, development institutions cover significant portions of the budget. UNDP is financing 80% of the \$5 million budget for women livestock caretakers in Pakistan, for example, and the US Agency for International Development invested \$1.2 million in expanding the Conservation Coffee Alliance throughout Latin America, in addition to issuing a \$4 million credit guarantee to Ecologic Finance to secure its loans to farmers. And the UK's Department for International Development, the Netherlands Development Organization, and the Austrian government are infusing funds into Unilever's \$4 million AB oil program in Tanzania. Beyond financing, however, it is clear that these institutions also contribute legitimacy and valuable support in mobilizing implementing partners and program communities. Local government institutions play important roles on this level as well: issuing appropriate licenses, hosting community engagement processes, and communicating progress to other public institutions.

## 3.2 Building Human and Physical Capital

Whether they aim to build up suppliers of raw material, plant operators, or distributors, all initiatives examined include considerable transfer of skills, technologies, and new financing mechanisms. Case studies strongly suggest that this is a fundamental intervention level.

### 3.2.1 Lack of Skills

Training on how to grow crops for quality and environmental sustainability, operate processing plants, or manage distribution businesses is found in every case featured. Interestingly, the division of labor between companies and NGOs is not highly differentiated at this level: Nestlé has its own agronomists training livestock caretakers in Pakistan (a key reason UNDP selected the company as implementing partner), but ECOM, having realized that it was difficult to work with local stakeholders as a trading company, decided to create a local NGO (the Alianza por la Sostenibilidad) to train farmers in sustainable coffee farming.

### 3.2.2 Lack of Needed Technologies

Technology transfer is similarly present in a number of initiatives, whether providing cold chains for milk conservation, or plant material to reach new quality standards in coffee production. Again, these assets can come from various sources: either the company has access to the technology or a partner NGO steps in, as Conservation International did with its plant nurseries in Chiapas.

## 3.3 Improving the Enabling Environment

The principal barriers addressed here are contextual: they are missing public goods that allow businesses to grow and operate. These deficits might be found in concrete infrastructural or institutional gaps, in policy vacuums, or in even more intangible factors such as local beliefs and norms. While there are many ways to categorize barriers in the enabling environment, the case studies suggest four important areas to address to create economic opportunity.

### 3.3.1 Low Awareness of Economic Opportunities

The first area builds awareness about economic opportunities and the benefits of changing practices. Social mobilization to "sell" the projects appears to be a shared role across sectors, even if companies frequently build on the credibility of NGOs, local governments, and agency representatives to publicize and encourage programs. Unilever has relied on a number of NGOs to create farmer-producer groups that build awareness first, and then skills. SABMiller and Cargill's program established centers in three districts of Rajasthan to mount publicity campaigns targeted at barley farmers about the potential for growing a higher-grade crop. Danone Grameen benefits from the considerable aura of Grameen, and the trust it generates among the poor, to mobilize communities to join its new businesses. Reliance's ambition to make Rural Business Hubs into centers stimulating agricultural productivity in India is based on added services to farmers as a pull mechanism for mobilization.

### 3.3.2 Dearth of Supportive Institutions

The second area to address is the availability and strength of local institutions, such as farm groups, to orchestrate necessary educational, financial, or transaction processes. This category of interventions even extends more broadly to essential community institutions, such as schools. Whether as cooperatives, educational centers, or trading houses, building new centers of economic activity is a pattern visible in almost all examples.

### 3.3.3 Deficiency of Infrastructure

The third, though far less frequently addressed area, touches on the infrastructure needed to collect or transport goods. SABMiller and the Mwaraka Foundation, in parallel to working with farmers, are supporting a network of over 70 social entrepreneurs in targeted farm communities. These individuals run projects tarring roads, allowing for better transportation of produce or piping treated water to villages. Starbucks Conservation Coffee Alliance also noted that cooperatives' newfound wealth was in part dedicated to repairing roads and making them more rainfall resistant. Such projects serve community activities beyond coffee farming.

### 3.3.4 Needs for Knowledge and Standards

Lastly, a critical area for the food & beverage sector, given its sensitivity about food safety and traceability, is to research and develop social and environmental standards to apply to food production and processing, and enforce these through various certification schemes. In Unilever's work on AB oil, a World Conservation Union (IUCN) evaluation ascertained that AB oil production is environmentally sound and socially equitable, and the government-sponsored Tanzania Forest Research Institute (TAFORI) coordinated research aiming to develop an appropriate domestication strategy for the new crop.

## 4 Future Opportunities

The companies and case studies in this report are tangible manifestations of the power of business to contribute to gains in prosperity, while progressively diminishing the adverse impacts of economic growth on the environment. A fundamental question remains, however, when considering the vast number of people living in poverty and the rate at which humanity is consuming natural resources: how quickly can success stories be scaled up across regions and industries? In the spirit of expanding best practices in the food & beverage sector, we offer five ingredients, among others certainly, which can be considered:

**"Because expanding economic opportunity is not only about access to education, technologies, and finance, but also about awareness of opportunities and belief in the possibility of change, companies have much to gain from non-profits and public institutions."**

**1** The **"must" of collaboration.** A knee-jerk reaction to the topic of "expanding economic opportunity" is that the private sector must provide the answer. Clearly, growing and operating business activities is a central component of the cases featured – even the dominant one, as in the case of Danone Grameen. But when dealing with poor communities, it is evident that cross-sector partners are essential as well. Even Danone Grameen relies on the legitimacy of the Global Alliance for Improved Nutrition (GAIN) to research and validate the nutritional benefits of its products to children.

Because expanding economic opportunity is not only about access to education, technologies, and finance, but also about awareness of opportunities and belief in the possibility of change, companies have much to gain by partnering with non-profits and public institutions. The need for parallel interventions to design and grow businesses, build communities' assets and capabilities, and improve enabling environments suggests that collaborative approaches are in fact optimal.

**2** **Patient capital.** The ability of governments and foundations to provide patient capital (not seeking competitive market returns in the short term or at all), directly or as providers of credit to local businesses, plays a central role in a number of cases. This funding allows for the progressive scale-up of business models which may only yield competitive returns to participating companies in the long term. Because the food & beverage sector can address both economic development and environmental agendas, their initiatives can tap into a range of budgets among public and private donors. When confronting the long-term economic realities of many of these projects, companies should take comfort in the fact that significant amounts of patient capital appear to be available for those willing to take the lead and collaborate.

**3** **Planning for sustainability.** There are two facets involved in sustaining "wins." First, economic gains can be made more sustainable. Among the cases reviewed, different levels of guarantees are provided: some companies pay premiums over market prices, period. This raises the question of what would happen should market prices plummet. As there is not yet a wider market for AB oil, Unilever goes further by guaranteeing a price until 2012 while looking for other buyers for the crop. ECOM invests some resources to reduce growers' dependency on coffee (for example, by assisting them to diversify into fish and poultry), while Nestlé focuses on a model – livestock care – that is likely to be of long-term value, regardless of market dynamics, as long as

women are equipped and trained to serve farmers. Danone Grameen is building a self-sustaining model from the outset, knowing that the economics of the venture will be challenging at least until some level of scale and experience is achieved.

Second, because the food & beverage sector is so deeply connected to the state of natural resources, expanding economic opportunity goes hand in hand with environmental sustainability. These two agendas will be increasingly interrelated in terms of scaling up food production and achieving good “values” prices in international markets. The number of case studies which rely on environmental research and guidelines to set the conditions for creating economic opportunity is striking. This duality should be explored in planning new initiatives.

**4** **The choice between global and local approaches.** The case studies in this report reflect two distinct ways of creating new value for poor communities. The first is to raise the quantity and quality of food products for sale in markets with high purchasing power, such as urban centers or other countries. The second is to build local value chains within rural and low-income communities themselves. Especially if combined with a unique branding strategy around “pro-poor” produce, significant premiums can be paid via the first strategy to poor producers, which can invest the additional income in business growth and diversification. When local models are developed, more jobs might be supported, but only in the context of local prices and wages which leaves little room for income redistribution along the value chain. The depth of research of this paper cannot point to the supremacy of one approach in terms of total economic opportunity potential; it simply suggests a choice for companies seeking to expand economic opportunity. Are communities best off depending on significant short-term, but perhaps volatile, income gains, or building local businesses for local consumers that may offer enhanced long-term potential?

**“A fundamental question remains, however, when considering the vast number of people living in poverty and the rate at which humanity is consuming natural resources: how quickly can success stories be scaled up across regions and industries?”**

**5** **Designing for scale and replication.** The initiatives documented here share an important theme: their ambition is to reach vast numbers of people with their asset- and capability-building interventions. Starbucks has already increased its supply base in Chiapas from two to six cooperatives and grown the number of participating farmers from 300 to 1,000. The program has also expanded to Peru, Columbia, Costa Rica, and Panama. Over a year into its program with UNDP in Pakistan, Nestlé has already trained 800 women, and will increase that number to 4,000 within three years. Each woman is already earning an average of \$42 a month, an income that will continue to

be tracked over time. SABMiller and Cargill’s program currently works with over 2,400 farmers growing higher-grade barley and aims to reach 3,000. ECOM certified over 500 coffee producers by mid-2007 and targets another 750 for the coming year. Coca-Cola Sabco’s MDC model started in Kenya is now being rolled out across East Africa and Asia. The flexibility of the MDC model makes it easily scalable and adaptable to local conditions. Four years since it was conceptualized and implemented, nine other countries (Uganda, Tanzania, Mozambique, Namibia, Ethiopia, Sri Lanka, Nepal, Cambodia, and Vietnam) have successfully implemented it. In replication lies a vital ingredient to create economic opportunity on a vast scale, and one that should resonate with large companies’ traditional approaches to testing what works in one market and then sharing the learning on a global scale.

## 5 Case Profiles

5.1 STARBUCKS AND THE CONSERVATION COFFEE ALLIANCE	21
5.2 NESTLÉ AND UNDP IN PAKISTAN	23
5.3 RELIANCE	25
5.4 SABMILLER, CARGILL, AND THE MORARJIA FOUNDATION	27
5.5 UNILEVER AND PROJECT NOVELLA	29
5.6 DANONE GRAMEEN	31
5.7 ECOM	33
5.8 COCA-COLA SABCO	36



## 5.1 STARBUCKS AND THE CONSERVATION COFFEE ALLIANCE

**Starbucks, Conservation International, USAID and Verde Ventures brought together a set of assets and capabilities to transform coffee production in Chiapas, Mexico. The results are enhanced livelihoods for coffee growers, protection of the biodiversity of the region through sustainable agricultural practices, and a specialty premium coffee for Starbucks.**

<b>Background</b>	<p>The Conservation Coffee Alliance is a collaborative effort to increase the supply of quality coffee in ways that protect forest biodiversity and provides new income streams to participating farmers. The initiative started in the El Triunfo reserve in Chiapas, Mexico, in 1996 and had expanded to Peru, Colombia, Costa Rica, and Panama by 2004. Starbucks, together with alliance partners including Conservation International, the US Agency for International Development (USAID), and Verde Ventures, brought together a set of assets and capabilities to transform local coffee production and provide new specialty and premium coffee for Starbucks. The initiative allowed six farm cooperatives in Chiapas to triple employment and increase farm revenue.</p> <p>This case study focuses on the Chiapas region and the impact of the initiative on the economic fabric of the Chiapas communities. The project experienced two major phases: from 1998-2004, activities focused on implementation and scale-up of the initiative. Since 2004, emphasis has been on institutionalizing the model by transitioning from donation of services to a cost recovery model in which farmers purchase additional skills and technology transfer using funds from new premium coffee sales.</p>
<b>Motivation</b>	<p>In line with its integrated approach to corporate social responsibility, this initiative gives Starbucks an opportunity to strengthen supply conditions by stabilizing access to premium crop, improve the environmental and social impacts of its supply chain, and brand the new coffee supply on the basis of origin. Because Starbucks emphasizes premium coffee and traceability, investing in specific regions which can naturally offer quality beans is of long-term strategic importance for the company.</p> <p>With a secure outlet for the crop to sustain the effort, Conservation International (CI), which first approached Starbucks about its conservation practices in general, uses the Alliance to further its mission to protect biodiversity and prevent forest destruction through slash-and-burn practices. The project is also a strategic fit for USAID as it provides a scalable model addressing its agenda to promote sustainable farming practices. Verde Ventures, a unit of CI, along with Calvert and Ecologic Finance, support farm-level financing through their credit and loan facilities.</p>
<b>Activities</b>	<p>The case example centers on an inclusive business model in which Starbucks sources coffee beans from poor coffee growers in Chiapas. To strengthen this model, Starbucks has developed new sustainable coffee-growing standards – the Coffee and Farmer Equity (C.A.F.E.) Practices. To implement these standards, the partnership has built human capital by offering technical assistance to coffee growers. CI was instrumental in helping Starbucks to develop these guidelines and to pilot them in Chiapas with local coffee farming cooperatives.</p> <p>Specific changes in the supply chain and supply conditions for coffee produced in Chiapas were pursued. They include applying new production standards, building local skills through training, improving access to finance, and branding the product as shade-grown coffee by Starbucks. In addition to financially investing in the program both directly and through Verde Ventures, Starbucks' greatest contribution has been to signal its commitment to purchase quality coffee produced in the region, and to fulfill that promise with ever-increasing uptake. Starbucks' retail growth in Mexico, one of its fastest-expanding markets, is also providing a direct channel for the coffee from Chiapas: all of the brewed coffee served in Starbucks cafés in Mexico is grown domestically.</p> <p>Funded by Starbucks and USAID, CI has been the principal driver of the program on the ground. An important step was to establish the C.A.F.E. Practices which, among other environmental criteria, include verification of shade canopies for growing coffee. CI assisted in developing these standards by consulting with a broad range of stakeholders. CI has also worked with farmers to apply the standards to meet Starbucks' aggressive production</p>

### Impact

CI also invested \$0.5 million of its own funds. Between 1999 and 2004, Starbucks committed more than \$2 million to the partnership, and loaned another \$2.5 million to Verde Ventures, \$7 million to Ecologic Finance, and \$1 million to the Calvert Foundation. Those organizations on-lent the funds at affordable rates, enabling farmers to cover their financial needs until harvest and to invest in production improvements. USAID first invested \$1 million to support CI in Chiapas and then another \$1.2 million to expand the Alliance throughout Latin America. The agency also provided \$4 million in credit guarantees to Ecologic Finance.

By 2004, Starbucks had already exceeded many of its targets. In that year, the company paid farmers an average of \$1.20 per pound of green coffee. The average price on the New York "C" market in that year was \$0.70 per pound. However, Starbucks considers the most important metric to be the premium paid locally, not the premium over the international price. On average, the company was paying a 20-40% more than what farmers would have received had they sold locally. An additional benefit of the program is that cooperatives now have enough volume to be suppliers of choice. From two containers of coffee purchased just three years into the program, Starbucks now sources more than 50 containers annually from the region, or approximately 2 million pounds annually. Additionally, 3,000 hectares of land are maintained under sustainable best practices for conservation coffee.

CI has collected considerable evidence regarding the broader impact of the program on communities – they have discovered access to education has grown significantly. One of the cooperatives used its surplus income to open a new school to provide previously-unavailable education in grades five through nine. Dietary intake has improved, and participating communities have diversified their crops beyond coffee. Furthermore, roads have been improved by adding gravel to stabilize sand cover which previously washed away easily under rainfall.

### Lessons

The initiative has been a great success along its primary objectives – to raise production levels for premium coffee, allow for traceability of product internally for Starbucks, protect the environment, and create economic opportunity. An additional benefit for Starbucks was the opportunity to introduce to their customers a new coffee with environmental attributes, Shade Grown Mexico, which is now included in the company's core line-up in regular and decaf varieties. While the initiative has helped reinforce the reputation of Starbucks as a socially responsible company, it is not clear whether it has led to increased sales or differentiation in the marketplace. Consumers seem to appreciate Starbucks' concern for the environment, but they appear still to make purchasing decisions on the basis of exciting packaging and their personal taste for "a perfect cup."

## 5.2 NESTLÉ AND UNDP IN PAKISTAN

**Nestlé Pakistan Ltd has partnered with UNDP-Pakistan to implement a gender support program providing rural women in the Punjab province with training in livestock management and care. Over three years, this program will create a cadre of 4,000 women livestock workers who can deliver primary livestock management, production, and extension services, earning up to \$42 a month.**

<b>Background</b>	Nestlé's partnership with the United Nations Development Programme (UNDP) to develop a livestock management training program for women of the Punjab province in Pakistan is an example of a public-private partnership to increase human capacity. The Initiative is a part of UNDP's gender support program to bring about Community Empowerment through Livestock Development & Credit (CELDAC). The CELDAC project was designed by UNDP upon request of the Government of Pakistan, and is expected to run for three years (2007-2009).
<b>Motivation</b>	Headquartered in Lahore, Nestlé is Pakistan's largest consumer goods company with sales of more than CHF 500 million. The company estimates that a million people earn their living from Nestlé in Pakistan, from employees, farmers, and distributors to suppliers, transport companies, and retailers. Since Nestlé started investing in Pakistan 18 years ago, the company has established the country's largest milk collection network. Today, Nestlé collects milk from 140,000 farmers in Punjab who, as a result, receive over CHF 120 million per year directly from the company. Nestlé is actively engaged in a number of mutually beneficial partnerships with these suppliers, as with suppliers around the world.  In 1997, Nestlé set up a milk collection system for farmers in Pakistan and provided them with support through the company's agricultural services division. This program increased the quality of animal care, resulting in significantly improved milk quality for Nestlé and better, more secure livelihoods for farmers' families. Through this experience, Nestlé learned that farm animals were mostly cared for by women, who often lacked training in livestock management. Furthermore, because veterinary care was limited in rural areas, most animals did not receive timely treatment, resulting in a loss of income for the family. In 2005, in an effort to address some of these challenges, Nestlé Pakistan initiated an agriculture services program for farmers which included a sub-focus on rural female livestock extension workers. This sub-focus provided support and education to rural women engaged in livestock development and management. UNDP, inspired by the success of this program, requested Nestlé's participation in the CELDAC initiative.
<b>Activities</b>	JNDP is the CELDAC initiative's primary donor, having pledged \$4 million over a three-year period. UNDP is also responsible for initial project design, and continues to provide ongoing monitoring and management support. When developing the initiative, UNDP recognized the key role that partners could play in its long-term sustainability. In identifying prospective partners, UNDP looked for companies that were already engaged with rural populations and had the necessary technical implementation capacity. The initiative is managed by a joint UNDP-Nestlé Project Management Unit, which has independent offices, accounts, and staff, and is audited by UNDP.  Nestlé and Engro Foods Ltd, a local Pakistani company, were identified as strong potential partners given their experience with the local market. Nestlé Pakistan is now UNDP's project implementation partner for the Punjab province, in addition to providing \$200,000 in grant support and \$800,000 in-kind, the company is also contributing expert assistance from Nestlé Agricultural Services and Nestlé Pakistan. Engro Foods is UNDP's implementing partner for the Sindh province. The University of Veterinary Sciences in Pakistan is helping develop curriculum and certification for the training program.  The CELDAC project aims to achieve two major objectives:  1) To create a cadre of 4,000 women livestock workers in three years, building their capacity to deliver primary livestock management, production and extension services; and  2) To generate income and employment for about 4,000 poor livestock households through the provision of institutionalized, collateral-free credit and savings facilities.

To achieve these goals, trainees are given a month-long, hands-on training in basic animal healthcare. The training, delivered by technical experts, develops participants' ability to deliver primary livestock management, production, and extension services. Once trained, program graduates are given a kit comprised of medical instruments, medicines, and vaccines to be used in their future activities. All training program graduates are expected to be self-employed. It is estimated that they will earn Rs 100-500 (\$1.50-8.00 US) per service provided to clients in rural villages.

<b>Impact</b>	While the CELDAC project was only recently implemented, it has already gained traction. To date, over 800 women have been trained and certified after passing completion tests developed by the University of Veterinary Sciences. More than 70% of program graduates are already established as independent entrepreneurs, either as livestock workers performing approximately 4-5 basic animal health management activities per month, linked with certified veterinarians, or as small dairy-related business owners linked with the existing market of milk sebers or animal feed providers. The average increase in family income has been approximately Rs 2,500 per month, or \$42 US. A formal evaluation of the project will be undertaken by end of 2007.  While only a very small quantity of milk is sold back to Nestlé by the women trained in this program, the company has generated goodwill in the community as a result of the program. More tangible business benefits are not expected in the short term, but may be realized in the long term. UNDP has benefited from working with corporations, building its capacity in project management and execution.
---------------	---

<b>Key Lessons</b>	The different skills and experiences contributed by each partner have been instrumental to the CELDAC project's success thus far. Particularly important has been partner companies' capacity to link rural development with market mechanisms. For example, women entrepreneurs have an outlet to sell their milk to Nestlé, Engro, or other milk companies, and women livestock workers have been linked to existing veterinarians to get access to clients that need servicing." CELDAC's National Project Director and Head of Corporate Affairs for Nestlé Pakistan, Mr. Syed Fadzlar Ahmed, remarked, "Corporations and development organizations need to collaborate to integrate rural development with market mechanisms, as capacity-building during will only be sustainable if there is a market mechanism to absorb it in the future."
--------------------	---

A challenge Nestlé has faced in its efforts to educate women livestock workers relates to the cultural environment in Pakistan. In most rural areas of the country, women have minimal access to education and limited opportunities to generate income. It is a great challenge to promote the concept of entrepreneurialism for women in this context. However, each CELDAC graduate contributes to the development of a cadre of social mobilizers that can serve a resource to UNDP and other non-governmental organizations (NGOs) working in the region.

## 6.3 RELIANCE

**Reliance Retail is sourcing fresh agricultural produce directly from thousands of farmers in Indian villages through a network of Collection Centers. Reliance provides a guaranteed market, reduces transaction costs, and trains the farmers in better and more sustainable farming practices. The company's initiative has brought higher incomes for farmers and reduced produce spoilage up to 35%, resulting in better quality products for Reliance retail stores.**

### Background

Reliance Retail's vision is to be the most successful and admired organized retail company in India. With a planned investment of approximately \$6 billion, Reliance is investing in a state-of-the-art retail infrastructure and supply chain, addressing a significant challenge for businesses in India today. Reliance's plan will create a national footprint with operations in over 1,500 cities and towns and more than 500,000 employees. The company's retail outlets will include a variety of formats, spanning hypermarkets, supermarkets, convenience stores, specialty stores, and Rural Business Hubs (RBHs).

The RBH concept is still in its final stages of development, with the first RBH to be opened in the fourth quarter of 2017. However, Reliance has started gaining relevant experience working with rural farmer communities by building rural Collection Centers (CCs) for fresh vegetables and fruits across different states in India. While the scale of impact of the Collection Centers is far smaller than what the company expects for the Rural Business Hubs, they are proving vital in developing an understanding of how best to work with rural farmers, laying the foundations for the RBHs to be a success.

### Motivation

Reliance's investment in its CCs is motivated by the need to source high-quality fresh produce, as well as the company's mission to create prosperity for Indian farmers and other members of its supply chain. Historically, India has suffered from a fragmented agricultural supply chain and high rates of produce spoilage. Farmers in numerous villages produce crops that must travel many miles before reaching the stores. Industry experts estimate that more than 30% of all fresh produce is lost or spoils before it reaches the market.<sup>4</sup> Due to regulations in place since the 1960s, all produce had to pass through middlemen or mandis to ensure fair prices for farmers and prevent hoarding during food shortages. Although the regulation was created to safeguard the interests of customers and farmers, it has also contributed to poorer quality produce, higher mark-ups, and inconvenience for all parties involved. While this regulation was phased out three years ago, most retailers still procure their supplies using the government-licenced mandis. When Reliance started its retail stores, called Reliance Fresh stores, in November 2006, it decided to ensure a supply of fresh produce in its stores by bypassing the mandis, creating CCs in villages where farmers could sell their crops locally.

### Activities

With its CCs, Reliance has built an inclusive business model that links the company more closely in the supply chain to poor farmers in Indian villages. To strengthen this business model, they are training those farmers to improve the quality of the produce they sell.

Before establishing a new CC, Reliance contacts farmers in surrounding villages to raise awareness and provide training on how to cultivate the farmers' desired products. Reliance also distributes plants for certain crops from Reliance-owned nurseries, and provides other relevant information. CCs maintain farmer contact lists and call on them when they are looking to procure specific crops.

Reliance currently operates 160 CCs across India, with each CC procuring produce from villages within a 15-kilometer radius. CC activities include primary grading of produce based on quality standards, electronic weighing, loading into plastic crates, labeling to allow traceability, and issuing cash payments immediately after delivery. During the harvest season, farmers bring their produce to the CCs every day. Their products are weighed electronically and farmers are quoted prices that match those they can get from the mandis. Reliance promises to purchase all produce delivered, which mandis do not guarantee. The CC also charges handling fees approximately 50% lower than those in the mandis. In case of superior quality of produce, farmers are offered better prices than those paid by the mandis.

Reliance uses its own fleet of trucks to transfer fresh produce daily from the CCs to regional processing and distribution centers, which then distribute it to Reliance Fresh stores. "After establishing these centers, we are able to get the produce at the right time of the day, transfer it to the storage points, and reduce spoilage to less than 5%," says an official from Reliance Retail.

### Impact

Reliance is putting mechanisms in place to measure the impact of its direct procurement in a systematic fashion through farmer interviews. While the results are by no means exhaustive, they are beginning to confirm the positive impact of local sourcing. For example, farmers working with CCs pay handling charges up to 50% lower than those incurred at mandis. Weighing is transparent due to the use of electronic scales. Farmers receive cash payment on the spot, as opposed to waiting for a week or longer, as was the case with the mandis. According to Reliance, on-the-spot cash payments are worth a "perceived" higher price to the farmers.

Based on farmer interviews, Reliance has determined that its Collection Centers have partially reduced "distress" sales to the mandis. Through better transparency and practices, Reliance is beginning to shape the industry standard for farmer relations, forcing the mandis to improve to stay competitive.

Through the higher prices and agricultural efficiency and sustainability training they receive from Reliance's CCs, farmers have been able to improve their productivity. Reliance's farmer interviews reveal greater awareness of quality differentials in their produce. Many farmers say they are investing in the seeds and inputs required to grow higher-quality produce overall.

While the mandis may be feeling the pinch, farmers selling to Reliance have expressed their happiness at being paid in cash as soon as they hand over their goods. "We were dealing with thieves who always used to cheat us," says one farmer who now sells grapes to Reliance.<sup>5</sup>

### Next Steps

While CCs demonstrate a first step toward creating economic opportunity by sourcing directly from farmer communities, the impact of Reliance's Rural Business Hubs is expected to be multi-fold. Through the RBH network, Reliance strives to be the partner of choice in creating prosperity for Indian farmers, small retailers, and other producers of goods and services, especially in rural communities, where approximately 70% of the Indian population lives. The network will help increase farm yields through knowledge dissemination, and procure crops right at the farm-gate level. RBHs will also provide essential services like healthcare, education, entertainment, and capacity building and rural enterprise development activities. Finally, Reliance hopes its RBHs will offer a new buying experience to rural consumers. The company plans to create approximately 1,400 RBHs in 20 states covering about 450 districts in India, reaching over 225 million people. The overall investment, excluding land, is expected to be approximately \$700 million.

## 5.4 SABMILLER, CARGILL, AND THE MORARKA FOUNDATION

Since 2005, SABMiller and Cargill have been working together with the government of the Indian state of Rajasthan, the Morarka Foundation (a local NGO), and local subsistence farmers to support the development of a healthy and viable barley malt industry to supply local breweries.

<b>Background</b>	<p>SAB Miller, with sales of 254 million liters of beer and a market share of approximately 34%, is the second-largest beer company in the Indian market. It has operated in India since 2000 with 10 breweries in the country. Cargill is an international provider of food, agricultural, and risk management products and services. The malt group of Cargill's food division works in partnership with its customers to grow malting barley. Cargill has historically been the primary maltster for SABMiller globally.</p> <p>Barley malt is one of the principal ingredients in beer. Rajasthan, where SABMiller sources barley, produces approximately 420,000 tons of barley per year. The barley, however, is largely feed-grade, and hence does not command a premium price. It is therefore not viewed by farmers as a priority crop. Farmers do not use certified seeds to sow, instead saving seeds from previous growing seasons. Since saved seeds do not guarantee varietal purity, rate of germination, or pest resistance, they do not yield consistent, high quality crops.</p>
<b>Motivation</b>	<p>As SABMiller looked to expand its beer market in India, a strategic partnership emerged with Cargill. The company realized it needed better quality malt, and that better quality malt required better quality barley. Cargill Malt India had expressed interest in establishing a world-class malting unit in India, and SABMiller was interested in having a high-quality domestic malt supplier. With two agendas converging, SABMiller and Cargill collaborated to restructure the existing supply chain through the Malt Barley Development Program. This program, called Sanjhi Unnati (SU), is similar to many other barley development initiatives of SABMiller but has been customized to meet Rajasthan's unique needs.</p>
<b>Activities</b>	<p>A key component of the program has been the creation of SU centers. Through these centers, SABMiller and Cargill use a variety of strategies to make their inclusive business model successful. The SU centers provide certified seeds, agricultural skills training, and other support, and the participating companies are currently in discussions with ICICI Bank to offer farmers access to credit. The new supply chain structure removes multiple inefficiencies in the previous system, created by poor-quality barley seeds, exploitative credit conditions for farmers, and unnecessary commissions to middlemen.</p> <p>The SU partnership consists of four members, in addition to the farmers themselves: SABMiller, Cargill, the Morarka Foundation, and the Rajasthan Government. SABMiller established the program and provided initial funding, now, SABMiller coordinates the various members and monitors and reports on the project on an ongoing basis. Cargill assists in all operational aspects of the project, manages the SU centers, sells seed, and trains farmers. To increase farmer participation, the Morarka Foundation facilitates social mobilization and interaction between local communities and SU management and operations staff. The foundation also supports relationship management for the program by addressing longer-term social needs of SU communities. The Rajasthan Government approves licenses and provides state infrastructure and support for the program. The Government also promotes the SU concept through its extension organizations and teams on ground, for example by raising awareness of the benefits of certified seeds.</p> <p>SU centers have been set up in three districts of Rajasthan. SU staff, franchisees, and local Cargill staff have been trained by experts from Cargill Malt Eurasia to provide ongoing support and extension services. When the program commenced, a publicity campaign was launched to raise awareness amongst 20,000 local barley farmers, using a variety of communications tools including "jeep campaigns," farmer meetings, and leafletting. This led to a recruitment drive inviting farmers to become members of the SU program. Participating farmers bought certified seeds from the SU centers and received access to personalized and group extension services from professional agronomists provided by SABMiller. To give farmers incentives to</p>

visit the SU centers, several other useful products were offered. Including wheat and groundnut seeds, pesticides and fertilizers, oils, and life insurance products. Veterinary days and prize draws were also organized.

Program costs are expected to total between \$32,000 and \$158,000 per year for the first three years. The program is not expected to become self-sustaining in near term, and may need continued investment for an additional three-year term.

<b>Impact</b>	<p>There were six SU centers operating as of 2007, supporting 2,400 farmers. The centers have distributed 200 metric tons of certified seeds and procured 7,000 metric tons of barley. 62% of farmers who took the seeds have sold back to the centers rather than to traditional middlemen. An extensive system for tracking and reporting progress has also been put in place and is being monitored. In addition, a new initiative has been undertaken to examine whether suitable software can be developed to track activities and analyze field data. To better understand the impact of the program on communities, the Morarka Foundation is developing an extensive database.</p> <p>Since the program was introduced, both the yield and quality of barley have improved. In the last harvest, yield was over 20% higher, though it is difficult to estimate how much of the improvement can be attributed directly to SU. Nevertheless, there are broad indicators confirming the value of the SU program: over a two-year period, SU districts achieved an average yield of 23.3%, while the average for Rajasthan state was 14.2%. Crop quality has improved as well. Average TQW, a measure of malt extract, has increased from 40 to 43 grams since the SU program was introduced.</p> <p>There has been a direct positive impact on farmers' incomes as a result of higher yields and crop quality. Farmers receive a 50% subsidy on certified seeds and they command up to 17% higher prices from SU centers compared to the market.</p> <p>SABMiller is using the SU program to build credibility and acceptance among farmers and farming communities. In the long term, the company can use these relationships to widely distribute better quality seeds. A strategic long-term benefit also exists for Cargill, as eventually the company will be able to use the SU centers to sell and procure additional crop varieties.</p>
<b>Lessons</b>	<p>Farmers were initially reluctant to accept the new seeds provided by SU. To overcome this barrier, consistent farmer engagement and long term project commitment is proving crucial. The Rajasthan Government also played a key role on a practical level by publicizing the program through extension activities and providing relevant licenses. Government involvement also lent credibility to the program, assuaging farmer's doubts. Because farmers are very price-sensitive, it proved important to ensure that the SU price consistently beat the market price.</p>
<b>Next Steps</b>	<p>Goals have been set for the partnership in terms of number of centers established, number of farmers enrolled, and quantity of seed distributed. By 2008, 10 centers are expected to be fully functional. These centers will support 3,000 farmers, distribute 700 metric tons of certified seed, and procure 10,000 metric tons of barley.</p> <p>To provide high-quality, certified seeds for distribution to farmers, a seed development program has been set up. Twenty new global seed varieties have been tested, of which five look more promising than local varieties. These will be distributed to the farmers in the next five years. Over the same five years, SABMiller India expects to achieve 50% of total barley procurement from the SU program, up from 10% in 2007.</p>

## 5.6 UNILEVER AND PROJECT NOVELLA

**In Tanzania, Unilever has partnered with local organizations to establish a locally-owned supply chain for Allanblackia oil, a new raw material to be used in margarines and spreads. Called Project Novella, the initiative is increasing income for farmers who cultivate AB trees, generating jobs in the AB supply chain, and preserving the biodiversity of the region.**

<b>Background</b>	Unilever partnered with multiple non-governmental organizations (NGOs), international organizations, and government agencies in Tanzania to commercially produce food-grade Allanblackia (AB) oil as a superior alternative ingredient in some Unilever products. The company has done extensive research on the properties of AB oil and has established new applications in manufacturing spreads and soaps. AB oil's unique properties allow lower saturated fat versions of margarine and spreads to be produced. The objective of this partnership, called Project Novella, is to assist Tanzanian farmers, rural communities, and local small businesses to build, run, and grow a locally-owned supply chain for AB oil. Novella also strives to preserve the biodiversity of the region and thus contribute to achieving the Millennium Development Goals.
<b>Motivation</b>	Unilever's primary motivation to form Project Novella is to promote the cultivation of a sufficient quantity of AB seeds to guarantee a sustainable supply of AB oil. Since AB is not well-known and not commercially produced, Unilever is challenged to source the volumes required to benefit commercially from the properties of the new crop. To address this challenge, the company is working with local Tanzanian organizations to create an entirely new supply chain for AB.
<b>Activities</b>	<p>Project Novella is an inclusive business model that sources AB seeds from local, community-based farmers. The project also works to build human capital by training the farmers to produce high-quality AB in an environmentally sustainable manner. To ensure that the AB supply chain is viable over the long term, local institutions such as Tanzanian Allanblackia Board, farmers associations, rural banking systems, and agricultural institutes have been developed. As in other cases profiled in this report, these human capital and institutional capacity-building strategies help to make Unilever's inclusive business model stronger.</p> <p>Unilever decided to partner with multiple local NGOs, international organizations, and government agencies to tackle the challenges it faces in Project Novella. These challenges include local capacity-building, local social mobilization and change, research and technical training in sustainable domestication, and plant propagation. Additionally, Unilever believes that to make the model viable in the long run, the supply chain had to be owned by local farmers, small enterprises, and communities.</p> <p>Local NGOs such as Faida Mei, the African Institute for Economical and Social Development (INADES), the Institute of Cultural Affairs Tanzania (ICA), and Tanzania Forest Conservation Group (TFCG) have provided training to farmers on business awareness and management, helped establish producer groups, and mobilized farmers and village communities.</p> <p>Other partners in Novella include international organizations such as SNV (the Dutch development organization), UNDP's Growing Sustainable Business Initiative, The World Conservation Union (IUCN), the International Centre for Research on Agro-Forestry (ICRAF), and governmental institutions such as Amani Nature Reserve (ANR), Tanzania Forestry Research Institute (TAFORI), and local governments. UNDP helped undertake social and economic impact assessments, gather environmental baseline data, and provide key contacts with government organizations. IUCN established best practices for environmentally sound and socially equitable ways of introducing a tree crop to farms. ICRAF and TAFORI coordinated research to establish an domestication strategy appropriate for widespread cultivation. ANR hosted and managed a central tree nursery for trees and the government Forestry and Beekeeping Department (FBD) issued licenses and certificates for AB business.</p> <p>Over the four years that Project Novella has been operating, the collaboration has made significant progress in creating a five-step supply chain for cultivating, collecting, transporting, processing, and exporting AB. Farmers and groups in the villages are engaged in collecting AB seeds from their farms, drying the seeds, and weighing and selling the product to collection centers throughout the harvest season. Seeds are then taken to a local</p>

crusher, who Novella has supported to upgrade his factory to produce food-grade oil. The AB oil produced is then transported to Europe. Activities related to the growing and collection of seeds are coordinated and managed by local NGOs; all other activities related to transporting, processing, and exporting are managed by Unilever.

Unilever is committed to making this project a success. To increase local ownership, Unilever spun off an independent implementation-focused company called Novel Development Tanzania Limited (NDTL) to run a large part of its AB supply chain activities. NDTL ensures that the collection centers are operating, that farmers are paid, and that seeds are transported, processed into oil, and exported. Unilever has guaranteed farmers a fixed price per kilo of seeds, and has pledged to pay an attractive, premium price for AB oil until the full economies of scale take effect in or before 2012.

This chain of activities is made possible by the extensive human and institutional capacity-building undertaken by the Novella partners. NGOs have raised awareness of the economic benefits of growing trees, and trained farmers and village associations on domestication. They have also helped villagers mobilize and legally register as economic groups. After registration, these groups have access to training and the opportunity to sell their produce to Unilever. Other institutions such as the Tanzanian AB Board, farmers associations, rural banking facilities, and payment systems have been established. As of 2006, several rural tree nurseries had been established and a first, or of 2,000 new trees had been planted in the farms. Domestication best practices have been documented and shared. Over 20,000 trees will be planted by 2007, most produced by rural, community-owned nurseries. ICRAF is working with ANR to improve both quality and quantity of current AB replication technology.

Novella is jointly funded by the partners and by additional grants from the UK Department for International Development (DFID) and Austrian Government Aid (ADA). The total funding commitment from 2003-2007 is \$4 million.

**Impact** Results for Novella to date are highly encouraging. The number of villages involved has grown from 16 to 48, and is expected to reach 100 by 2008. As of 2006, 6,000 farmers were involved in the program. The average AB earning per farmer per year has increased from \$30 to \$70. Forty-five full-time jobs managing the buying centers, half of which are held by women, have been created. Six hundred and fifty tons of AB seeds are produced per year and future demand stands at 600,000 tons. The planting of AB trees will lead to a marked increase in supply volumes, thereby increasing the impact on rural income levels. By 2016, more than 25,000 farmers should be able to earn more than \$200 per year farming AB, in addition to their other economic activities. The success of the program is being recognized widely and is being emulated by Novella teams in Ghana and Nigeria.

**Lessons and Next Steps** While the project is successful, a growing supply chain will have to be established and made sustainable by the end of the DFID grant term. Local ownership, active capacity-building of the farmers, investment in research capabilities, and improvement of business practices are some of the factors that are expected to contribute to the supply chain's sustainability and viability. Two primary hurdles still exist: demand for AB must grow and the quality of AB oil must improve even further. Progress has been made on the demand side as Unilever has found a second guaranteed purchaser for AB oil. Having more than one buyer for the oil reduces farmers' dependence on a single major buyer.

Future growth now depends on achieving scale by rolling out the experience across Africa, involving many communities in planting AB trees on small, diversified farms in order to preserve the biodiversity of the region. Moving forward will require attracting skilled people who can guide the process, as well as the funding to finance tree production and training for farmers on how to integrate AB into their current farm activities. The Novella partnership is committed to bringing this project to scale. As Harrie Hendrickx of Unilever says, "We will bring the volumes to a level where economies of scale reduce cost and make the whole project economically sustainable. Then, with a new raw material established, hundreds of thousands of farmers in Africa can earn a decent living from it."

## 5.6 DANONE GRAMEEN

**The traditional approach to growing an international business in emerging markets is to target segments likely to find a company's product competitive. Because legacy brands and traditional modes of production are adapted to high-purchasing-power countries, this strategy typically limits developing country markets to the wealthiest customers. Danone Grameen is turning this logic upside-down, rethinking the entire value chain for yogurt production and marketing so that it employs and serves the poorest segments of society.**

**Background** Danone has partnered with Grameen Bangladesh to fund equal shares of a social enterprise for the poor. This venture creates economic opportunity and delivers a quality, nutritious product to the "base of the pyramid." Its three objectives are to:

- provide children suffering from nutritional deficiencies with a low-priced yogurt adapted to their nutritional needs,
- create jobs around an economically viable and scalable business model, and
- preserve the environment.

The Global Alliance for Improved Nutrition (GAIN) is a critical actor in the joint venture as well, validating the benefits of the nutrient-enhanced yogurt for children. As of September 2007, the joint venture had been operating for less than one year and was still in full learning and adaptation mode.

**Motivation** For Danone, creating Grameen Danone Foods Ltd. is consistent with its strategy to deliver health through nutrition. The company's underlying motivation is to innovate and transform its processes to deliver value to people with low purchasing power, and in so doing, to inspire all Danone operations to rethink their modes. The project also sends a powerful signal internally, demonstrating Danone's mission to be a social innovator.

For Grameen, the joint venture is a natural addition to its existing portfolio of for-profit and non-profit enterprises serving the poor in Bangladesh. Among many other services, Grameen provides financial and technical support to micro and small enterprises; support for healthcare, education and disaster relief; mobile telephone service through thousands of "Grameen Ladies"; and energy to off-grid villages through non-polluting renewable energy models. The Danone Grameen joint venture leverages Grameen's extensive reach and immense credibility in rural communities.

The partnership provides GAIN with an avenue to pursue its mission of providing essential micro-nutrients to populations in need, leveraging both public and private food distribution channels.

**Activities** Danone Grameen is addressing all essential components of the value chain, from agricultural production of milk to yogurt manufacturing, to product distribution. At all steps, the main partners are scaling up activities and contributing to the formation of a viable inclusive business model. \$1 million in capital has been invested so far.

Upstream, the objective is to promote local milk supply, particularly through the development of micro-farms. Danone is using its experience to raise quality and productivity standards. Rather than involve its own agronomists directly, Danone is building local agronomic capacity, training local NGOs that can then work with farmers. Danone is also helping to establish a supply chain that prevents deterioration of milk in Bangladesh's hot climate.

At the center of the value chain, Danone has designed a completely new factory set-up affectionately called the "creekill factory." This model favors employment over costly technologies, without jeopardizing product quality – the yogurt is Danone-branded and must meet the company's quality standards. The first factory is located in Bogra, 150 kilometers north of Dhaka, the capital. Specific attention has been paid to safety through highly concrete, illustrated trainings that raise awareness in employees, most of whom come from local rural environments, of risks inherent in industrial activity. Other innovations are in place or being prepared, such as the use of biogas, solar energy, biodegradable jars, and reusable containers.

Downstream, the joint venture is banking on the extensive network of Grameen Ladies for door-to-door sales along existing local retail channels. The goal is to keep distribution to a radius of 50 kilometers around the factory to minimize environmental impacts associated with transport. However, the model introduces new challenges for the

Grameen Ladies as yogurt distribution differs considerably from micro-lending or provision of telecom services; distributors are asked to purchase a perishable product upfront. The success of this approach has yet to be determined.

In the meantime, GAIN is validating the yogurt's nutritional impact through clinical studies, bringing the expertise and independence to validate the health benefits of the enterprise. This validation provides substance to the venture's social marketing, which relies on word-of-mouth.

Danone Grameen has invested significant effort in creating a product suitable for the market, as opposed to selling existing yogurts that works well for other markets. The yogurt is branded as "Shakti doi," which means "energy yogurt." It is made of fresh milk and sugar and is enhanced with micro-nutrients including vitamins, iron, protein, iodine, zinc, and calcium. It is cheaper than other yogurts available in the market and in line with what low-income people can afford (5 taka or \$0.07 US). A single 80-gram cup provides 30% of a child's daily requirements of vitamins, iron, zinc, and iodine.

### Impact

While much of the project has yet to unfold, the partners predict that over 1,000 livestock and distribution jobs will be created. This compares with approximately 30 factory jobs been created in the pilot factory. Thus, employment impact will occur principally upstream and downstream in the value chain.

Over time, profits from the venture will be reinvested in the construction of other plants. The partners anticipate that up to 50 plants could be established in Bangladesh within 10 years, multiplying the employment impacts accordingly. While the venture is off to a promising start, the viability of the model has yet to be established; it is particularly challenging to operate a full value chain that relies solely on an extremely low-cost product. There is very little additional economic value to be captured in the market to finance the substantial investments required.

## 5.7 ECOM

**The Coffee Group at ECOM, a leading agricultural commodities trader, has partnered with Utz Certified "Good Inside" to provide technical assistance and training to hundreds of Honduran coffee farmers, enabling them to produce high- and consistent-quality coffee through sustainable farming techniques.**

### Background

Honduras, the second poorest country in Central America, economically relies heavily on a narrow range of exports, notably coffee and bananas. In a context of high unemployment (estimated near 26% in 2006), coffee is a key employer in rural areas, with 110,000 officially-registered coffee producers. A conservative estimate indicates that coffee production supports 8% of the country's inhabitants. Though Honduras benefits from the same climate, soil, and altitude conditions of other countries producing high-quality coffee, Honduran coffee has not matched its potential. There are three primary reasons:

- selection in the 1990s of plant varieties which favor productivity over quality,
- rudimentary processing techniques, and
- extensive and unnecessary handling throughout the production and local marketing chains.

Founded in Barcelona, Spain, in 1649, ECOM Agroindustrial Corporation is one of three leading companies in the highly-concentrated coffee trading market. In 1988, ECOM's Coffee Group established a trading and processing company, SOGIMEX, in Honduras.

### Motivation

Increasingly, ECOM's customers wanted to know the origins and methods of production of their coffees. For example, both Japan and the European Union prohibit certain types of chemicals to be used as fertilizers. To adjust to changing demand, SOGIMEX started piloting sustainable coffee projects providing farmers with the technological knowledge and training they needed to produce consistently good-quality, traceable, specialty coffee, which could command a premium with the company's customers.

### Activities

SOGIMEX launched its first sustainable coffee or *Calicultura Sostenible* project in 2002 in Marcala. Coffee produced was purchased at a premium by Starbucks, confirming that a market existed for sustainably-grown coffee. In November 2004, ECOM partnered with Utz Kapeh, now called Utz Certified, a worldwide responsible coffee certification program, to develop additional projects. The partnership with Utz Kapeh focused on three main goals:

- to achieve a sustainable coffee industry in Honduras;
- to develop a pilot a model that could be brought to scale throughout the country; and
- to foster a new culture throughout the supply chain, leading to technically-savvy coffee farmers with greater social awareness and environmental responsibility.

With the help from the Coffee Support Network, ECOM and Utz Kapeh promoted their first Utz Certified pilot project in San Nicolás, Santa Bárbara, with much success, selling all of the resulting coffee as Utz Certified.

Recognizing that it was challenging to build partnerships with local stakeholders as a private corporation, in 2005 ECOM decided to create a local NGO, *Alianza para la Sostenibilidad*, to lead the development of additional sustainable coffee projects. ECOM invested more than \$560,000 in this initiative.

*Alianza para la Sostenibilidad* (APS) worked with many partners who contributed to the success of the program. Utz Kapeh, meaning "good coffee" in the Mayan language, set standards for responsible coffee production and sourcing. Utz Certified and the Coffee Support Network from the Netherlands trained the first ECOM-trained Agronomist (TA) for the pilot project. Later, in the roll-out project, ECOM's TA trained five more TAs who in turn provided technical assistance to farmers. IHCAFE, the Honduran Coffee Institute, the National Agrarian Institute, CIRAD (a French agricultural research organization), and Crop Life helped develop better farming practices. Disagro Group, a regional fertilizer company, assisted in analyzing farm soil and providing fertilizer training. Honduras Red Cross supported first aid training in farms and milling facilities. The Honduran Secretary of Labor was also involved to ensure that farmers understood labor laws regarding the minimum age to work, minimum wages, and other labor-related issues.

Through APS, coffee farmers received training in basic business skills. "Since illiteracy is high in Honduras, many farmers do not develop a habit of writing or keeping track. We teach the farmers ways to track their harvests, keep basic records of their activities, expenses, and incomes. To make things easier for them, we have created simple forms and invited children to attend the training so that they can then help their parents with the registries," says Carlos Urmeneta Jr., project manager in Honduras.

Farmers also received training on waste management, fertilizer management, and sustainable growing methods as defined by Utz Certified. They learned how to treat the pulp generated from wet milling processes to create organic fertilizers. They received guidance on fertilizer management, in which the soil composition of their farms was analyzed and customized formulas developed. These formulas improved crop yields and reduced the quantities of fertilizer needed. To handle fertilizers and toxic material, farmers received safety equipment and basic training on handling. Since 25% of farmers lacked sanitation facilities, they were also taught how to build these facilities and avoid contaminants. First aid kits were provided in case of emergencies on the farm.

Farmers whose coffee received certification were paid a premium for their crop. Moreover, farmers were encouraged to pursue other activities to diversify their incomes, such as poultry or tripe farming. Other quality-of-life benefits included a school assistance plan set up to ensure that children attended classes rather than working in the farms.

At every occasion, public authorities were informed of APS' activities. With the help of strategic partners from public and private sectors, ECOM is looking to roll out this project on a National Initiative level.

### Results

The partnership has brought three main benefits to coffee communities: it has improved skill levels, raised income levels, and reduced the harmful effects of coffee farming on the environment.

As of the 2006-2007 harvest, 509 coffee producers had received training and technical assistance and achieved Utz Certified status. Coffee produced and certified by the program amounted to 4,850 metric tons. The target for 2007-2008 is to certify 750 producers and double the volume of certified coffee, which will directly impact approximately 1,200 Honduran families, generating an estimated 5,000 held jobs. The program originally targeted small farmers but has expanded to include larger farms, allowing for higher volumes to be produced and more families to be impacted. The ultimate ambition of the project is to reach a national scale.

After training, farmers' overall productivity has increased by 54%, and their costs have decreased by almost 20%. While income risks have not been measured systematically for all participants, anecdotal examples are available. For instance, one of the top-performing farmers received an additional premium of \$3 per 46-kilogram bag of coffee produced, resulting in a cumulative increase in net income of \$95,900 between 2004 and 2006. Additionally, due to safety training, his farm saw an approximately 90% reduction in accidents.

Sustainable farming methods have also contributed to reducing pollution on the farms. In a community where water and pulp have never been treated, a quantity equivalent to over 33 Olympic-sized pools of residual water and over 6,500 metric tons of pulp have been treated through the APS program. Reforestation initiatives have also been implemented.

### Lessons

Prior to this project, experts like ECOM were not regarded positively by farmers and thus had great difficulty in building credibility with local communities. A crucial turning point occurred when ECOM agreed to support the rebuilding of a school in San Nicolás. Only after this agreement did farmers believe ECOM sincerely wished to contribute to the well-being of their community.

While ECOM realized that it could not control the root causes of volatile commodity prices, the company proved it could affect supply chain issues and contribute to the availability of traceable and sustainable sources of supply. To make these projects sustainable, ECOM has identified customers who are willing to pay premiums for certified coffee. For example, Sara Lee pays a premium of \$5 per 46-kilogram bag, of which \$3 is passed on to the grower and \$2 to APS. Other corporate buyers of certified coffee include Tokyo Allied Coffee Roasters, Anold, IKEA, Migros, ICS Coffee & Tea, Bowleys, and Riquoy. Restaurant chains like McDonald's have also joined in.

APS is currently funded solely by ECOM. To increase the scale of the project in Honduras and expand into neighboring countries, APS is pursuing new donors and implementation partners.

Overall, ECOM is positioned to lead and excel in the trend to bring consumers and farmers closer together, promoting more sustainable methods of coffee production and allowing for increased traceability and transparency in the coffee supply chain. Integral to this approach is its ability to replicate its knowledge worldwide. Other notable collaborative projects include working with Starbucks and Conservation International in the Conservation Coffee Alliance in Chiapas, Mexico; helping Nestlé's Nespresso AAA program to restore biodiversity in Costa Rica by planting trees; and assisting Rainforest Alliance in Mexico, Guatemala, and Nicaragua to implement environmentally-sound coffee and timber production in the Bozavas biosphere reserve. ECOM is also working with cooperatives to buy coffee and cocoa at better prices and supporting Fairtrade standards in procurement.

## 5.8 COCA-COLA SABCO

**Coca-Cola Sabco is creating significant economic opportunities in Africa and Asia by providing the option to create and operate Coca-Cola Manual Distribution Centers (MDCs). MDCs account for more than 55% of the company's sales in many areas, and they have helped it to achieve double-digit sales growth since the model was implemented.**

<b>Background</b>	Coca-Cola Sabco (CCS) is a key bottler for The Coca-Cola Company in southern and eastern Africa and Asia. CCS produces and bottles beverages at 25 plants across 12 countries and employs over 9,700 local people. The company contributes to local economies through employment, investment in plants, tax revenues, local procurement, and the creation of income-generating opportunities in the sale of their products through different types and sizes of retail channels.
<b>Motivation</b>	<p>Traditional means of distribution are costly and ineffective in many parts of East Africa, where roads are often narrow, unpaved, and unmaintained, especially in lower-income neighborhoods and informal settlements. Around 2002, CCS recognized the need for a distribution system more appropriate to these contexts – one that would provide better service to the many small and micro-retailers located there and, by extension, to end customers. At the same time, CCS was searching for an opportunity to demonstrate its commitment to job creation and wealth distribution.</p> <p>CCS' response was to design an innovative new distribution system around small, independent distributors – essentially building its distribution network through local small business development. This system of Manual Distribution Centers (MDCs) was piloted on a small scale in Ethiopia and, following its success, was rolled out on a large scale in Kenya. Public Affairs and Communications Manager for CCS, Adrian Ristow, remarked, "Through the creation of small locally-owned businesses which share in the profits of The Coca-Cola System value chain, it can be ensured that wealth is shared with a broad cross-section of the local population."</p>
<b>Activities</b>	<p>MDCs are distribution centers that serve their local neighborhoods. MDC owners are third parties who are actively supported and managed by CCS; one CCS area sales manager will manage and monitor the performance of five to eight MDCs.</p> <p>The company chooses MDC locations based on an overall area business plan and identifies prospective partners in those locations who have the potential to open and operate their own MDCs. CCS helps these partners establish their MDC operations, including designing routes and methods of delivery and determining the frequency of delivery services required to keep customers in stock. As needed, CCS also negotiates special loan arrangements with local commercial banks to provide credit to the entrepreneurs. CCS has also used its existing relationship with IFC, one of the company's investors, to provide financing for MDC entrepreneurs.</p> <p>CCS continues to support MDCs even after the start-up phase. For instance, the company provides assistance in procuring delivery vehicles, such as custom-built bicycles. In addition, after an MDC has recruited the necessary staff, CCS provides basic financial skills training to all of its employees. MDC owners and employees are all treated as active CCS distributors and receive ongoing support and training from company representatives in order to ensure that optimal selling conditions are maintained at the retailer level.</p>
<b>Impact</b>	<p>Over the five years that the MDC system has been in place, it has had significant impact on local communities and on Coca-Cola Sabco's business. In Kenya, for instance, there are currently 380 MDCs generating over \$100 million in revenue, employing nearly 4,000 people, and supporting a base of approximately 16,000 people. MDC employees and their families have access to greater wealth, better living conditions, and future opportunities such as education. A typical MDC's revenue is around \$25,000 per month and sales staff receive commissions based on pre-specified percentages of sales revenue.</p> <p>The entrepreneurs running the MDCs have seen dramatic transformations in their lives as a result of increased income and empowerment as business owners. Many of them hailed from humble backgrounds, often as drivers for</p>



wholesalers or low-skilled laborers in the beverage value chain. "I'm very happy with the opportunity that Coca-Cola has given me. I did not ever dream of being an investor, employing others, and supporting my greater family," says Samuel Wangige Wairimu, an MDC owner who had worked as a driver for a Coca-Cola wholesaler for 18 years, earning less than \$40 per month.

The MDC model is expanding and continuing to create local investment, jobs, skills development, and sales growth. The model first rolled out at scale in Kenya, but has since spread across East Africa and Asia. Its flexibility makes it adaptable to local conditions and therefore relatively easy to replicate and scale. Four years since the MDC model was rolled out in Kenya, nine other countries (Ethiopia, Uganda, Tanzania, Mozambique, Namibia, Sri Lanka, Nepal, Cambodia, and Vietnam) have successfully implemented MDCs. A total of 2,905 MDCs were operational as of year-end 2006, employing more than 10,000 people.

For CCS, there have been three significant business benefits of the MDC model. First, CCS has seen significant increases in sales across all 10 participating countries, ranging from 6 to 523%. These increases reflect increased distribution range and improved affordability of products; the MDC system shortens the supply chain, cutting out unnecessary wholesalers who added to product cost and increased prices at their convenience. The system has also contributed to price stability – offered prices are held for longer than usual, well below inflation.

Second, smaller and harder-to-reach retail outlets receive better service than they did previously, thanks to the ability of MDC salesmen to make more regular visits. These visits have helped reduce out-of-stock situations, helping outlet owners improve their businesses and building favorable rapport between them and Sabco.

Third, replication and scaling of the model have led to further innovation in distribution methods. In East Africa, Vietnam, and Cambodia, for example, push carts have been developed in place of bicycles as a means of distribution to support further entrepreneurship in the value chain.

#### Next Steps

CCS is planning to continue growing its flexible and successful MDC model, as it has been accepted as a vital component in the growth strategy of the company. Whenever CCS faces distribution and access difficulties similar to those in East Africa, the company plans to develop more MDCs.

CCS is only beginning to realize the power of the distribution network created by MDCs. The company has used the network as a platform for various beneficial community services – for example, working with the US and Ethiopian governments as well as a local NGO, Positive Change, to provide economic opportunities for HIV/AIDS orphans – and has been approached by other organizations about similar projects. Coca-Cola Sabco is committed to finding ways to use its network strategically for community development.

## End Notes

1. AccountAbility and Business for Social Responsibility (BSR). 2004. Business and Economic Development: Agriculture Sector Report. [http://www.economicfootprint.org/fileadmin/agriculture\\_report\\_2004.pdf](http://www.economicfootprint.org/fileadmin/agriculture_report_2004.pdf) (accessed July 17, 2007).
2. Humphrey, John and Olga Memedovic. 2006. Global Value Chains in the Agrifood Sector. Vienna: United Nations Industrial Development Organization (UNIDO). <http://www.regoverningmarkets.org/en/filemanager/active?fid=408> (accessed September 24, 2007).
3. Nelson, Jane. 2007. Building Linkages for Competitive and Responsible Entrepreneurship: Innovative Partnerships to Foster Small Enterprise, Promote Economic Growth, and Reduce Poverty in Developing Countries. Vienna and Cambridge, MA: UNIDO and the Fellows of Harvard College.
4. Nelson, Jane. 2003. Economic Multipliers: Revisiting the Core Responsibility and Contribution of Business to Development. International Business Leaders Forum (IBLF) Policy Paper 2003 No. 4.
5. Clay, Jason. 2005. Exploring the Links Between International Business and Poverty Reduction: A Case Study of Unilever in Indonesia. An Oxfam GB, Novib, Unilever, and Unilever Indonesia Joint Research Project. <http://www.oxfam.org.uk/resources/policy/trade/downloads/unilever.pdf> (accessed September 25, 2007).
6. Porter, Michael E. and Mark R. Kramer. 2006. "Strategy and Society: The Link Between Competitive Advantage and Corporate Social Responsibility." *Harvard Business Review* 84(12): 78-92.
7. FSG Social Impact Advisors. 2006. The Nestlé Concept of Corporate Social Responsibility As Implemented in Latin America Vevey, Switzerland: Nestlé.
8. While Engro Foods' contribution to the CELDAC initiative is significant, this case study captures Nestlé's activities and impacts only.
9. Robinson, Simon. 2007. "Supply Chains: India's Food Fight." *TIME Magazine*, May 31.
10. Ibid.

## References

- AccountAbility and Business for Social Responsibility (BSR). 2004. Business and Economic Development: Agriculture Sector Report. [http://www.economicchampion.org/Readmin/agriculture\\_report\\_2004.pdf](http://www.economicchampion.org/Readmin/agriculture_report_2004.pdf) (accessed July 17, 2007).
- Clay, Jason. 2005. Exploring the Links Between International Business and Poverty Reduction: A Case Study of Unilever in Indonesia. An Oxfam GB, Novib, Unilever, and Unilever Indonesia Joint Research Project. <http://www.oxfam.org.uk/resources/policy/trade/downloads/unilever.pdf> (accessed September 25, 2007).
- FSC Social Impact Advisors. 2006. The Nestlé Concept of Corporate Social Responsibility As Implemented in Latin America, Vevey, Switzerland: Nestlé.
- Humphrey, John and Olga Mearns. 2006. Global Value Chains in the Agrifood Sector. Vienna: United Nations Industrial Development Organization (UNIDO). <http://www.regoverningmarkets.org/ev/manager/active?no=408> (accessed September 24, 2007).
- Jenkins, Beth, Anna Aikhalakasi, Brad Roberts, and Amanda Gardner. 2007. Business Linkages: Lessons, Opportunities, and Challenges. Washington, DC: IFC, International Business Leaders Forum, and the Fellows of Harvard College.
- Nelson, Jane. 2007. Building Linkages for Competitive and Responsible Entrepreneurship: Innovative Partnerships to Foster Small Enterprise, Promote Economic Growth, and Reduce Poverty in Developing Countries. Vienna and Cambridge, MA: UNIDO and the Fellows of Harvard College.
- \_\_\_\_\_. 2003. Economic Multipliers: Revisiting the Core Responsibility and Contribution of Business to Development. International Business Leaders Forum (IBLF) Policy Paper 2003 No. 4.
- Nestlé. n.d. Community Empowerment Through Livestock Development And Credit. <http://www.un.org/iceppo/innovativ/nestle.pdf> (accessed September 25, 2007).
- Porter, Michael E. and Mark R. Kramer. 2006. "Strategy and Society: The Link Between Competitive Advantage and Corporate Social Responsibility." *Harvard Business Review* 84(12): 78-92.
- Rinconson, Simon. 2007. "Supply Chains: Kellie's Food Fight." *TIME Magazine*, May 31.
- The Coca-Cola Company. 2006. Corporate Responsibility Review. Atlanta, GA: The Coca-Cola Company.
- Unilever. n.d. Economic development. <http://www.unilever.com/ourvalues/environment/society/case-studies/economic-development/> (accessed September 25, 2007).
- \_\_\_\_\_. n.d. Sustainable agriculture. <http://www.unilever.com/ourvalues/environment/society/case-studies/report/integrating-sustainability/sustainable-agriculture/default.asp> (accessed September 25, 2007).
- United Nations Food and Agriculture Organization (FAO). n.d. Appraisal of Farm-Agrifusiness Linkages: Business Linkage and Contracting Issues in Agricultural Value Chains. <http://www.enterprise-development.org/resources/download.asp?id=303> (accessed September 25, 2007).
- \_\_\_\_\_. 2007. Challenges of Agrifusiness and Agro-industries Development. Item 5 of the Provisional Agenda. Committee on Agriculture. Twentieth Session, Rome, April 25-28. <http://ftp.fao.org/docrep/1a2/meeting/01/1/3176a.pdf> (accessed September 25, 2007).
- United Nations Global Compact (UNGC). 2007. Joining Forces for Change: Demonstrating Innovation and Impact Through UN-Business Partnerships. <http://www.globacompactsummit.org/docs/UNGC07-JoiningForcesForChange.pdf> (accessed September 25, 2007).
- United States Agency for International Development (USAID). n.d. FTS: Person: Marketing Increases Coffee Value. [http://www.usaid.gov/press/mexicoftp\\_mv\\_coffeepower.pdf](http://www.usaid.gov/press/mexicoftp_mv_coffeepower.pdf) (accessed September 25, 2007).
- \_\_\_\_\_. 2006. The Global Development Alliance: Public-Private Alliances for Transformational Development. [http://www.usaid.gov/csr/work/global\\_partnerships/gda/pdf/MSDA\\_Report\\_Jan2006\\_Intro.pdf](http://www.usaid.gov/csr/work/global_partnerships/gda/pdf/MSDA_Report_Jan2006_Intro.pdf) (accessed September 25, 2007).
- World Economic Forum (WEF). 2006. Harnessing Private Sector Capabilities to Meet Public Needs: The Potential of Partnerships to Advance Progress on Hunger, Malaria and Basic Education. Geneva: WEF. [http://www.weforum.org/pdf/Initiatives/Harnessing\\_private\\_sector.pdf](http://www.weforum.org/pdf/Initiatives/Harnessing_private_sector.pdf) (accessed September 25, 2007).

## List of Companies Interviewed

We thank the following individuals for their thoughtful input into the case studies profiled in this report.

<b>The Coca-Cola Company</b>	Marika McCauley Sine
<b>Coca-Cola Sabco</b>	Adrian Ristow
<b>Daanona</b>	Bernard Giraud
<b>ECOM Agroindustrial Corporation</b>	Eric Ponçon; Carlos V. Urmeneta Jr.
<b>Hindustan Lever Ltd</b>	Anita Kumar
<b>Nestlé</b>	Fiona Griffin Kaeser; Syed Fakhar Ahmed
<b>Reliance Retail</b>	Yacine Sidibe; Anand Nair; Prince Bandai
<b>SABMiller</b>	Christine Thompson; Maya Mankanjee; Sandeep Kumar
<b>Starbucks</b>	Branley Browning; Dennis Macray
<b>Unilever</b>	Gavin Neath; Rose Fenn; Harrie Hendrickx

## Publications in the CSR Initiative's Economic Opportunity Series

### 2007

*Expanding Economic Opportunity: The Role of Large Firms*  
Beth Jenkins

*The Role of the Automotive Sector in Expanding Economic Opportunity*  
Forthcoming

*The Role of the Extractive Sector in Expanding Economic Opportunity*  
Holy Wise and Sokol Shlykha

*The Role of the Financial Services Sector in Expanding Economic Opportunity*  
Christopher N. Sutton and Beth Jenkins

*The Role of the Food and Beverage Sector in Expanding Economic Opportunity*  
Marc Pfitzer and Ramya Krishnaswamy

*The Role of the Health Care Sector in Expanding Economic Opportunity*  
Adeeb Mahmud and Marcie Parkhurst

*The Role of the Information and Communications Technology Sector in Expanding Economic Opportunity*  
William J. Kramer, Beth Jenkins, and Robert S. Katz

*The Role of the Tourism Sector in Expanding Economic Opportunity*  
Caroline Ashley, Peter DeZure, Amy Lehr, and Hannah Wilde

*The Role of the Utilities Sector in Expanding Economic Opportunity*  
Christopher N. Sutton

*Business Linkages: Lessons, Opportunities, and Challenges*  
Beth Jenkins, Anna Akhalkatsi, Brad Roberts, and Amanda Gardner

*Building Linkages for Competitive and Responsible Entrepreneurship: Innovative Partnerships to Foster Small Enterprise, Promote Economic Growth, and Reduce Poverty in Developing Countries*  
Jane Nelson

### 2006

*Tanzania: Lessons in Building Linkages for Competitive and Responsible Entrepreneurship*  
Tamara Bekali

*Viet Nam: Lessons in Building Linkages for Competitive and Responsible Entrepreneurship*  
Tamara Bekali

*Leveraging the Development Impact of Business in the Fight against Poverty*  
Jane Nelson

## About the Authors

**Marc Pfitzer** is the Managing Director of the Geneva office of FSG Social Impact Advisors. Marc brings over 15 years of experience advising senior executives across sectors. He is responsible for FSG's work in Europe, spanning multinational corporations, foundations, non-governmental organizations, governments, and public-private-partnerships. His work includes strategic reviews and business planning for the social sector, issue research leading to action or policy recommendations, social initiative implementation and evaluation. Much of his recent work has focused on the linkages between corporate competitiveness and social engagement and evaluation of major social initiatives; topics he has written about and presented at dozens of conferences. Prior to joining FSG, Marc served as Manager at the Boston Consulting Group based in Zürich, working on a variety of consulting assignments for both corporations and non-profits on the topics of strategy, organizational design, and change management. He also has significant experience in training and professional development. Prior to BCG and during his studies, he worked with the World Economic Forum. He holds an MBA from the European Institute of Administration (INSEAD, Fontainebleau) and a BA from Harvard in Government and History. Marc is fluent in French, English and German. He can be reached at [marc.pfitzer@fsg-impact.org](mailto:marc.pfitzer@fsg-impact.org).

**Ramya Krishnaswamy** is a Consultant in the Geneva office of FSG Social Impact Advisors. Ramya's work at FSG has been entirely dedicated to large-scale partnerships. Her professional experience spans a number of years as a strategy and IT consultant, recently with McKinsey & Company and previously with Reuters, working in Europe, the Middle East and Asia. Her work has included projects with governments on economic development and private corporations in financial, chemical and telecommunication industries. Ramya holds a Bachelor's in Engineering from the University of Singapore and an MBA from INSEAD. She can be reached at [ramya.krishnaswamy@fsg-impact.org](mailto:ramya.krishnaswamy@fsg-impact.org).

### About FSG Social Impact Advisors

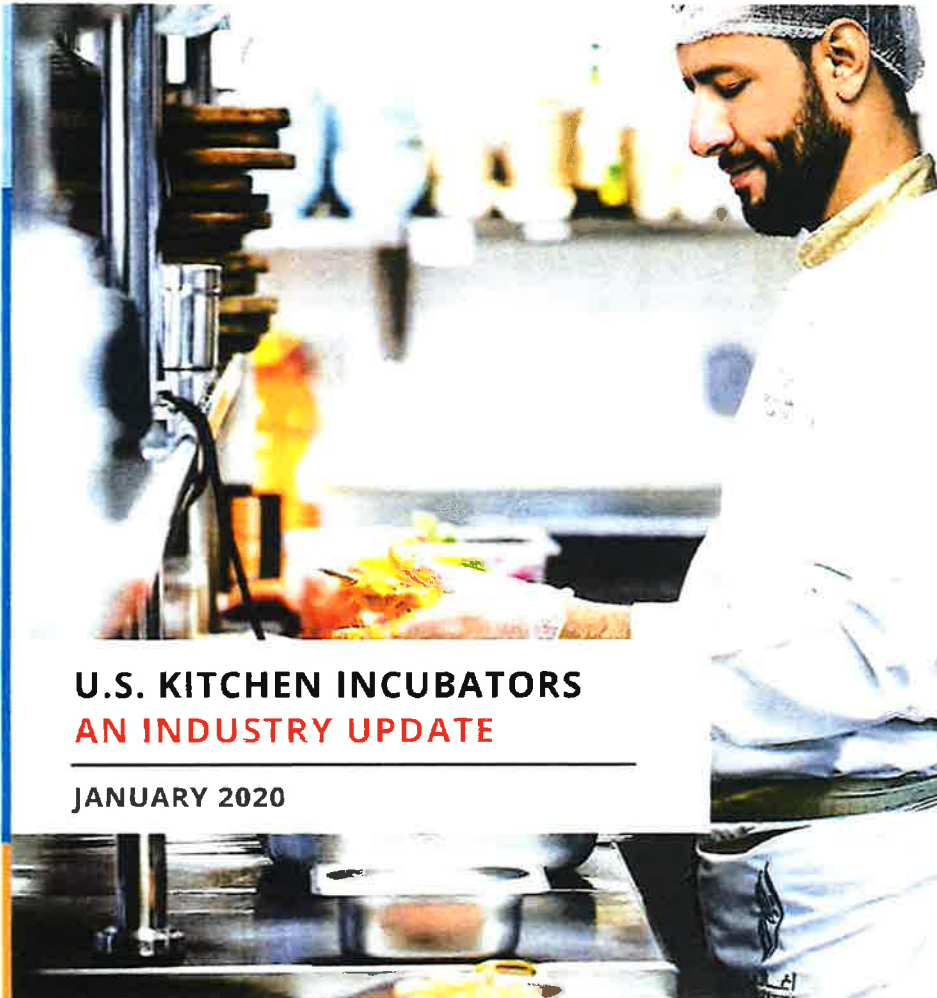
FSG Social Impact Advisors is a 501(c)(3) nonprofit enterprise that provides consulting services to foundations, corporations, governments, and non-profits to develop strategies for increasing social impact and to measure the results achieved. FSG also publishes original research and leads action initiatives that advance the practices of philanthropy and corporate social responsibility. FSG was founded in 1999 by Professor Michael E. Porter and Mark R. Kramer as Foundation Strategy Group, LLC, and converted to non-profit status under its new name in 2006. With offices in Boston, San Francisco, Seattle, and Geneva, FSG's global team combines strategy consulting, evaluation, and research skills with a deep understanding of the non-profit sector. [www.fsg-impact.org](http://www.fsg-impact.org)

### About the Corporate Social Responsibility (CSR) Initiative

Under the direction of John Puggie (Faculty Chair) and Jane Nelson (Director), the CSR Initiative at Harvard's Kennedy School of Government is a multi-disciplinary and multi-stakeholder program that seeks to study and enhance the public contributions of private enterprise. It explores the intersection of corporate responsibility, corporate governance, and public policy, with a focus on the role of business in addressing global development issues. The initiative undertakes research, education, and outreach activities that aim to bridge theory and practice, build leadership skills, and support constructive dialogue and collaboration among different sectors. It was founded in 2004 with the support of Walter H. Shorenstein, Chevron Corporation, The Coca-Cola Company, and General Motors and is now also supported by Abbott Laboratories, Cisco Systems, Inc., InVivo, InterContinental Hotels Group, Microsoft Corporation, Pfizer, Shell Exploration and Production, and the United Nations Industrial Development Organization (UNIDO). Visit the Initiative's homepage at <http://www.ksg.harvard.edu/m-rcbg/CSR/>

Corporate Social Responsibility Initiative  
John F. Kennedy School of Government  
Harvard University  
79 John F. Kennedy Street  
Cambridge, MA 02138  
USA  
[www.ksg.harvard.edu/mfcbg/CSRI](http://www.ksg.harvard.edu/mfcbg/CSRI)

**FOR REFERENCE ONLY**



**U.S. KITCHEN INCUBATORS  
AN INDUSTRY UPDATE**

**JANUARY 2020**

**ESI**ECONSULT  
SOLUTIONS INC.



**THE  
FOOD  
CORRIDOR**

**CATHARINE  
STREET  
CONSULTING**

**ESI**ECONSULT  
SOLUTIONS INC.  
1435 Walnut Street, Suite 300  
Philadelphia, PA 19102  
[www.econsultsolutions.com](http://www.econsultsolutions.com)

Econsult Solutions Inc. provides insights into economic problems, policy questions, and strategic thinking focused on providing customized economic expert services in Real Estate, Transportation, Economic Development, and Public Policy and Finance.

Lee Huang, Senior Vice President and Principal  
Lily Ho, Senior Research Analyst

Research Assistants: Matthew DeCesare    Brendan Connor  
Nina Olney    Theo Herrin    Henry Corkan  
Alaina Barca    Sydney Lodge    Kaitlyn MacLennan  
Peter Baroff    Finatan O'Toole



394 Broadway, 5th Floor  
New York, NY 10013  
[www.urbane-dev.com](http://www.urbane-dev.com)

Urbane Development is a community development venture that cultivates innovative solutions to build dynamic neighborhoods and positively impact underserved communities.

James Johnson-Plett, CEO  
Androniki Lagos, Senior Consultant



320 E Vine Drive, Suite 221  
Fort Collins, CO 80524  
[www.thefoodcorridor.com](http://www.thefoodcorridor.com)

The Food Corridor works to enable efficiency, growth, and innovation in local food by empowering shared-use kitchens and their food businesses.

Ashley Colpaart, Founder and CEO



327 Catharine Street  
Philadelphia, PA 19147  
[www.catharinestreet.com](http://www.catharinestreet.com)

Catharine Street Consulting is a community development consulting firm supporting social impact real estate projects in securing financing, quantifying economic and community impacts, and communicating impacts with stakeholders.

Adam Wodka, Principal

Layout design by Catharine Street Consulting

For inquiries, please contact [info@econsultsolutions.com](mailto:info@econsultsolutions.com).

Copyright © 2020 Econsult Solutions Inc., Urbane Development, The Food Corridor, Catharine Street Consulting. All rights reserved.

---

## TABLE OF CONTENTS

---

<b>EXECUTIVE SUMMARY</b>	4
Introduction	5
Definitions and Best Practices	6
Inside This Report	7
<b>SECTION I: CURRENT CHARACTERISTICS</b>	8
Location and Context	9
Characteristics	11
Financial Status	14
Facilities	16
Operating Model	20
Tenants	23
Products	27
Rates and Payments	29
User Interface	31
Business Support	33
<b>SECTION II: LOOKING AHEAD</b>	36
Comparison to 2015 Survey	37
What the Industry Thinks About Its Future	38
Maturation and Evolution	39
Technical Assistance Needs	40
Technological, Consumer, and Social Disruption	40
<b>APPENDICES</b>	41
Appendix A: Endnotes	42

---

## EXECUTIVE SUMMARY

---

This report provides a snapshot of today's shared food facility industry, presents a view into the industry's future trajectory, and highlights best practices and recommendations for improving outcomes for entrepreneurs and operators. In addition to sharing data and recommendations, this report seeks to put shared kitchens into greater context as operations with the potential to play an outsized role in expanding the inclusive economy – bringing entrepreneurs that face significant barriers to entry into the fold of supportive business ecosystems. A comprehensive measure of the quantitative and qualitative impact that shared kitchens have on local economies remains a gap. However, the data in this industry report can support public, private, and foundation stakeholders in understanding the value of codifying the economic and social impacts of these facilities on their local communities.

### KEY FINDINGS & RECOMMENDATIONS

Analysis of the 2019 industry survey results yielded the following findings and recommended actions to support the burgeoning shared use food facility industry:

**Entrepreneurs and facility operators alike are in need of greater support, including professional development, capacity building, and technical assistance. In-demand support includes operations and planning; product development; branding, sales and marketing; affordable sourcing; accessing trained labor; and distribution/logistics support. Operators are seeking support with evidence-based entrepreneur programming and development.**

*Fund cross-training among shared kitchens to build industry capacity and reinforce standards of practice.*

*Formalize and distribute evidence-based training curriculum to execute industry best practices.*

**Missing industry data limits understanding of overall economic impact – particularly the industry's contribution to advancing economic inclusion – thus limiting the case for funding.**

*Formalize coordination between facility operators and public economic and market development agencies, academic institutions, and municipal governments to establish appropriate metrics and support codification of economic impact. Work together to leverage the cluster effect and advance incubation efforts.*

**A lack of industry formalization detracts from the industry's legitimacy. Missing standards and regulations lead to inconsistent practices and may contribute to perceived risk, hindering support.**

*Establish a professional association to develop regulatory policies and standards of practice, and to advocate for these policies, incentives, funding, and other resources. The association should bolster member access to market intelligence, including facilitating the sharing of market research across facilities to cultivate an informed community of coaches and entrepreneurs.*

**Access to working capital poses a major barrier to facility operators and member businesses**

*Increase direct public and private investment in operator and entrepreneur working capital and technical assistance providers to support the sustainable incubation of nascent food businesses.*

---

## INTRODUCTION

---

The U.S. Kitchen Incubator industry in 2019 continues building a supportive ecosystem for one of America's key economic pillars: small business entrepreneurs. The U.S. Small Business Administration cites the small firms share of all domestic businesses at over 99 percent, with start-ups comprising 8 percent therein.<sup>1</sup> And while 8 percent may appear small, new businesses aged 0-5 years are a powerful force driving innovation and over 20 percent of gross job creation.<sup>2</sup> "The question of who benefits from the success of entrepreneurship is of great significance, particularly as municipalities and regions interrogate current economic development approaches and look for strategies that enable a more dynamic and inclusive economy. Entrepreneurship remains a critical pathway for people facing myriad barriers to entering the economy or accessing quality resources and networks. In 2018, the largest proportion of new entrepreneurs had completed less than a high school degree, the rate of minority entrepreneurs was increasing and immigrants accounted for nearly 30 percent of new entrepreneurs."<sup>3</sup> This report analyzes a survey of shared kitchen operators across the U.S., following earlier surveys in 2013 and 2015. This work aims to support economic inclusion among these mission-driven business owners who have limited access to traditional pathways.

In 2019, 82 percent of surveyed kitchen facility operators pointed to supporting entrepreneur success as some part of their primary mission. Yet, entrepreneur success requires no less than an entire community of actors and resources to develop, guide, connect, fund, and champion fledgling concepts. This supportive community is of even greater importance when working with immigrant, refugee, and women entrepreneurs, who disproportionately lack resources and networks. Shared use food facilities, when employing industry best practices, realize the promise of business incubation and economic clusters to meet these requirements. In fact, 30 percent of the 2019 shared use food facility survey respondents cited business incubation as the primary function of their facility. Incubators have been shown to markedly improve the long-term survival rates of small businesses: incubated businesses have over double the success rate of those without the benefit of incubation

after six years in operation.<sup>4</sup> The survival of new businesses depends on ready and continued access to professional skill building, business development, and operations support, which are staples of an effective business incubation model.<sup>5</sup>

In addition to incubating food businesses, shared kitchens act as economic clusters where food entrepreneurs can benefit from co-location and cooperation. Clusters bolster start-up success and survival by growing the pool of specialized resources, improving access to suppliers and cooperative purchasing, knowledge sharing and accelerating paths to market.<sup>6</sup> Although only 4% of survey respondents identified as part of a food innovation district or food cluster, arguably each shared use facility lays the groundwork for accessing the positive benefits associated with a highly localized economic business cluster. These micro-clusters warrant direct public investment to deliver on the promise of strengthening the connective tissue and supports for burgeoning businesses. The multiplied impacts of these micro-clusters should be measured by cities and states to better understand the direct and indirect value created by kitchen incubators.

As incubators and micro economic clusters, shared use food facilities are supporting businesses with critical services, expertise, networking, and linkages to financial resources. Among the hundreds of shared use kitchen facilities, those leading the industry in best practices take an intentional approach to incubation, network building, and inclusive recruiting – connecting a growing community of entrepreneurs of color and women entrepreneurs to expert supports. And while success is the shared goal, as La Cocina Executive Director Caleb Zigas puts it, *"La Cocina is designed to give people a space to fail and land on their feet. If the [shared kitchen] industry is going to make an impact, then we have to acknowledge that serial entrepreneurship is having the privilege of failing until reaching success. People on the margins are not afforded this privilege. Incubators need to be in the position to absorb that risk."* Shared kitchens will need more robust public, private, and foundational partnerships to maintain and expand this critical position.

---

## DEFINITIONS AND BEST PRACTICES

---

### DEFINITIONS

**Shared Use Food Facility:** A facility dedicated to renting commercial kitchen space for shared use to a variety of food entrepreneurs, local businesses, and catering services. Within this umbrella term are included commissaries, commercial kitchens, and kitchen incubators, which offer business incubator services to provide startup food businesses with professional development and training.

**Best Practices:** A set of procedures that have been found to be the most effective in a given industry.

**Economic Inclusion:** The practice of including all people, regardless of race, gender, or socioeconomic status, in a given industry or economy. This is only accomplished through the intentional development of inclusionary strategies such as tiered pricing, diverse leadership, and additional support for those in need.

**Food Innovation District:** A geographic cluster of food-related businesses intended to foster business collaboration. These clusters often include markets, shared-use food facilities, and business incubators that work together to grow the regional food economy and support local businesses.

**Ghost Kitchens:** Food businesses that make food in a commercial kitchen space and deliver it right to consumers through food delivery apps, rather than through a traditional restaurant.

**Local Food Economy:** The group of local food growers, producers, and distributors that help provide food for a region.

**Micro-clusters:** Shared-use food facilities can also act as their own micro-cluster, allowing food entrepreneurs to collaborate and work with one another in areas where there is not a food innovation district.

### BEST PRACTICES

Leaders in the shared kitchen industry serve as inclusive economic engines, creating environments for entrepreneurs to build wealth, create jobs and bolster the local community. While the industry has yet to develop formal standards and regulations, there is a core set of best practices employed by industry leaders:

- Provide ongoing regulatory, operational, and business management support and curriculum to build entrepreneur capacity - at start-up, second-stage growth, and beyond. This includes formal and informal coaching on go-to-market strategies, product development, branding, and sales and distribution support.
- Establish a clear culture of economic inclusion, often beginning with directed recruitment, screening, and interviewing of women, minority, and refugee entrepreneurs.
- Curate a member mix with an eye toward collaboration, mutual respect, cross-pollination, and product diversity for a sustainable operation and maximum benefit to the food community being built.
- Offer accessible, sliding scale pricing that transitions alongside the growth of the business until they reach market parity.
- Help entrepreneurs achieve scale by cultivating relationships along the food value chain, from suppliers, to skilled labor, to sales channel partners.
- Develop a supportive network and community of support beyond the walls of the kitchen facility. Bring in experienced mentors including industry experts, regulators, consultants, institutional and funder contacts. Build industry as well as community networks.

---

## INSIDE THIS REPORT

---

**Current Characteristics (Section I)** presents an update on the shared use food facilities industry through the results of a national survey and related analysis. Of the more than 600 identifiable shared kitchen facilities that operate across the U.S., 180 responded to the 2019 industry survey, providing key data points and highlighting emerging trends and opportunities to improve the impact and collective understanding of the industry. This section includes data in ten categories:

- **Location and Context** shows the distribution of facilities across 44 states. While about half of facilities are in urban areas, the regional distribution is fairly even.
- **Characteristics** detail the expanding operator landscape of younger facilities with mission-based goals. While a majority of operators remain for-profit, less than 10 percent cited a primary objective of making money.
- **Financial Status** explores the viability of operators. Most respondents are stable but a greater proportion in 2019 also experienced financial losses.
- **Facilities** details size, equipment offerings, and additional uses. The majority of respondents operate in less than 5,000 square feet. Event space, classrooms, and food testing labs are popular additional revenue sources.
- **Operating Models** shows varying staffing, costs, and revenue streams. Over 80 percent of facilities are run on a budget of less than \$500,000. Most shared kitchens report few, if any, full-time employees.
- **Members/Tenants** highlights select details of users, including minority, women, and refugee entrepreneurs and duration of stay. 45 percent of respondents cited "business closure" as a frequent reason for tenants leaving a facility.
- **Products** outlines trending items being developed and sales channels. Ready-to-eat and baked goods are most popular and data suggests room for capturing more online and foodservice business.
- **Rates and Payment** shows industry approaches to setting and accepting fees and rental rates. The majority of kitchens increase their accessibility through sliding scale rates for low-income entrepreneurs or incubator program members.
- **User Interface** provides additional operational insights. Kitchens still depend largely on human-facilitated bookings, although there is a trend toward software solutions.
- **Business Supports** details how shared use food facilities provide incubator and food cluster benefits. While a majority offer licensing and business counseling, only 30 percent of operators track member outcomes, creating a major gap in understanding the industry and its impacts.

**Looking Ahead (Section II)** provides a closer look at the industry's evolution from 2015 to 2019 and its future direction. The shared use food facility industry is growing as the food industry is changing shape. This section offers some reflection, as well as insights into how shared kitchens are being challenged and how they might respond:

- **Comparison to 2015 Survey** examines what the data says about how the industry has changed and remained constant from 2015 to 2019.
- **What the Industry Thinks About Its Future** highlights kitchen operators' optimism about the direction of shared kitchen industry. Core challenges and needs of operators are discussed in greater detail.
- **Maturation and Evolution** addresses marketplace changes introducing new competition and opportunities. Shared use food facilities are poised to differentiate themselves as foundations of inclusive economic development.
- **Technical Assistance Needs** focuses on the types of supports needed for the sustainability of operators and entrepreneurs.
- **Technological, Consumer, and Social Disruption** identifies select trends that may change how entrepreneurs go to market and potential revenue opportunities for shared kitchens.

---

# SECTION I: CURRENT CHARACTERISTICS

---





## LOCATION AND CONTEXT

Shared use food facilities have a presence in 44 states throughout the country, with a slightly higher representation in the South. Shared use food facilities continue to be found mostly in urban and suburban contexts with concentrations in the largest cities.

### INCUBATORS HAVE A NATIONAL REACH ACROSS THE U.S.

Nationally, over 600 shared use food facilities exist across 48 states and the District of Columbia. Survey respondents, 180 facilities in total, came from 44 states – an increase of 4 states and almost 120 respondents since 2015.



180 RESPONDENTS  
FROM 44 STATES

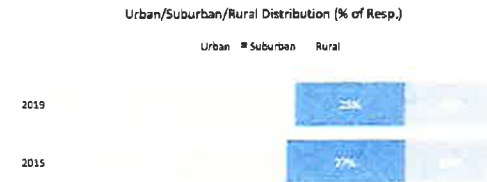
### REGIONAL DISTRIBUTION BUT MORE REPRESENTATION IN THE WEST AND SOUTH

While incubators are represented relatively evenly across regions, the large numbers of incubators in California (19), Ohio (9), and Texas (9) drive higher representation in the West, Midwest, and South.

Region	Respondents (%)	
	2019	2016
South	31	29
Midwest	26	24
West	26	31
Northeast	18	16

### HALF OF ALL INCUBATORS CONTINUE TO BE IN URBAN AREAS

54 percent of kitchen incubators identify as being in an urban area in a distribution similar to the 2015 results of 52 percent urban, 27 percent suburban, and 21 percent rural.



### CONCENTRATION NEAR MAJOR CITIES

Kitchen incubators continue to be an urban trend and are concentrated in certain metropolitan areas. The fifteen cities with the most incubators represent almost half of all national incubators. The map below shows the concentration of shared use food facilities in metro areas around the U.S., indicating that incubators cluster around cities in every region.

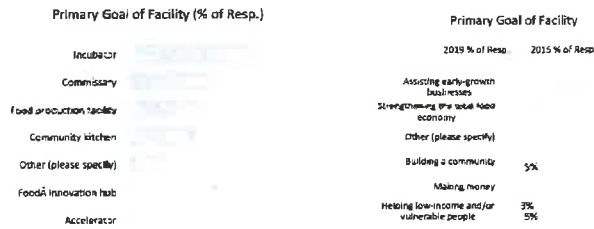
City	Respondents	
	Count	Percent
New York City	38	7.2
San Francisco	25	4.7
Seattle	23	4.4
Chicago	23	4.4
Los Angeles	17	3.2
Washington, D.C.	13	2.5
Atlanta	11	2.1
Boston	11	2.1
Portland	10	1.9
Denver	10	1.9
Minneapolis	10	1.9
Austin	9	1.7
San Diego	8	1.5
Pittsburgh	8	1.5
Dallas	8	1.5
<b>Total</b>	<b>526</b>	<b>100</b>

## CHARACTERISTICS

Over 50% of respondents identify the primary goal of their facility as assisting early-growth businesses, even while 52% operate as for-profit entities that rent access to commercial space, storage, and services. Shared use food facilities remain a fairly new phenomenon, as over 40% have been established since 2015.

### OVER HALF VIEW A MISSION-BASED FOCUS AS THEIR PRIMARY GOAL

Asked about the primary goal of their facilities, a majority of respondents claim to prioritize a basic mission of incubators: assisting early-growth businesses. This response, in addition to another 18 percent who chose "strengthening the local food economy," indicate that regardless of corporate classification, many kitchens are mission-focused. In addition, these facilities identify primarily as an incubator, with only 19% identifying first as a food production facility.



### A MAJORITY OPERATE AS FOR-PROFIT

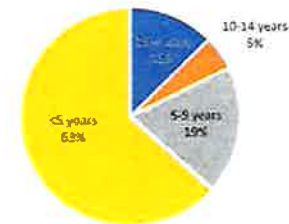
The majority of incubators classify as for-profit, but at a lower rate than 2015. Other responses indicate private-public partnerships, or facilities functioning as for-profit arms of non-profit organizations.



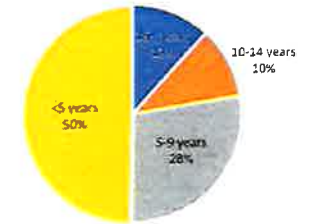
### TWO-THIRDS ESTABLISHED AFTER 2010

Most incubators were recently established, similar to the 2015 results. Over half of survey respondents were formed after the 2015 survey or are currently forming, indicating continued growth in the sector.

Years Established, 2015 Survey



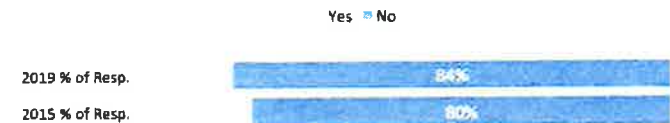
Years Established, 2019 Survey



### ONE-IN-FIVE ARE CERTIFIED BY THE USDA

Sixteen percent have a specific USDA certification for processing meat, poultry, and egg products, similar to the results of the 2015 survey. USDA certification entails a facility undergoing a technical approval process that may involve submission of production plans and/or technical proposals, product samples for evaluation, and on-site assessments of facilities and procedures.

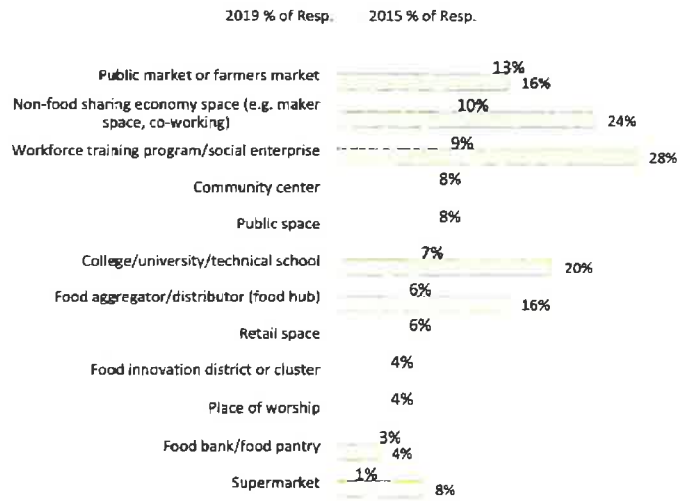
Is your facility USDA certified?



## 40% OF INCUBATORS INVOLVED IN AT LEAST ONE PARTNERSHIP

Many of the incubators are involved in some type of partnership, whether it be aligned with professional development or food product distribution.

Does your facility include or are you part of any of the following?



## THE ROLE AND MISSION OF INCUBATORS EVOLVE OVER TIME

As an emerging sector, change is expected in order to meet the needs of the community. Below are a selection of the range of responses when asked "Has the name, function, or mission changed over time?"

*"We started with the primary goal of making money, and although that is still a priority of ours, helping small businesses grow has become our main focus and selling point."*

*"Initially funded as an incubator, but due to low use in our rural area we diversified to promote it as a commissary and teaching kitchen as well."*

*"Yes, it was originally designed to provide a location for local farmers to create value-added manufactured products from their produce. Now, the majority of our clients are food trucks, caterers, meal delivery or part-time hobbyists."*

Characteristics

## FINANCIAL STATUS

The financial status of many shared use food facilities appears to be about the same/slightly declining. Approximately the same portion of facilities report making money compared to 2015 and nearly 70% report earning more revenue than three years ago, compared to 82% report earning more revenue in 2015.

## 69% OF INCUBATORS HAVE SEEN REVENUE INCREASE IN PAST THREE YEARS

Encouragingly, 69% of incubators have seen revenue increase as compared to three years ago or when opened if less than three years old. However, an increasing number of facilities have seen similar revenue, or declining revenue since the same time. Increases in revenue can largely be attributed to diversification, specialization, and reputation.

Has your revenue increased, decreased, or stayed the same compared to three years ago?



## MANY ARE PROFITABLE, BUT MORE ARE LOSING MONEY TOO

A growing number of shared use kitchens are reporting that they are profitable, although the number losing money also increased.

Facility's financial status in the last year:

Making money    Breaking even    Losing money

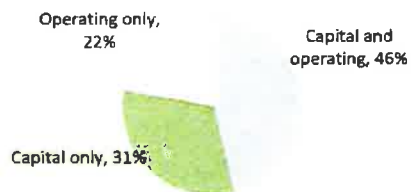


## MOST NONPROFIT INCUBATORS HAVE RECEIVED GRANT SUPPORT

60% of nonprofit kitchens have received grant support, as opposed to 5% of for-profit facilities. For all grant recipients, grant support typically covered both capital and operating costs. Grant sources may range from local initiatives to federal programs.



If facility has received grant support, what was this grant for?



## FACILITIES

Many shared use food facilities are small facilities, with almost half occupying less than 3,000 square feet and almost 80% occupying less than 10,000 square feet. Most facilities have cold storage, classroom space, food science/testing labs, packing rooms, and permanent food production spaces for rent or lease.

### MORE SMALL INCUBATORS LESS THAN 5,000 SQUARE FEET

With 45% of facilities reporting a size of less than 3,000 square feet and 15% reporting between 3,000 and 4,999 square feet, the number of small facilities has grown, contrary to some expectations that the industry would see more consolidation into larger facilities.

Total square footage of facilities



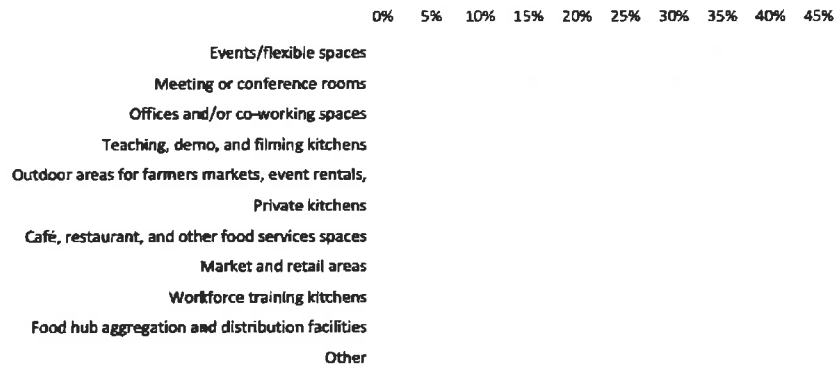
## KITCHEN SPACES MAKES UP ABOUT HALF OF THE TYPICAL FACILITY

Appx. % of sq. ft. dedicated to each of the following uses (Average of all responses)

Kitchen Dry Storage Refrigerator Storage Freezer Storage Event Space Other (office, non-kitchen uses, etc.)



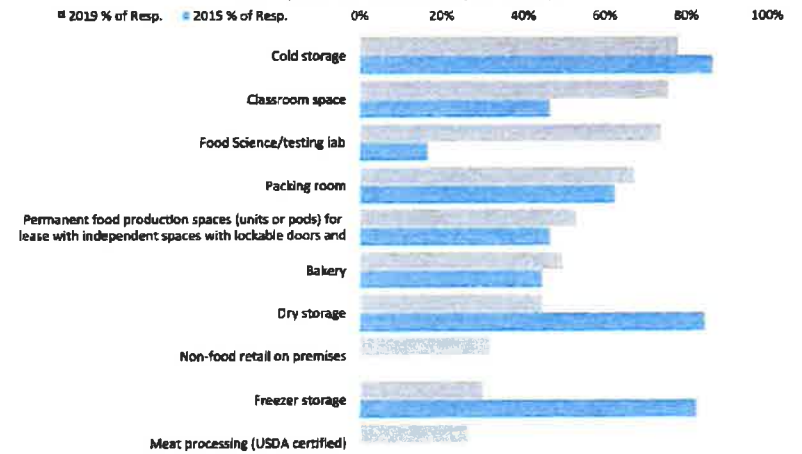
What additional services are available at your facility? (% of Resp.)



Facilities

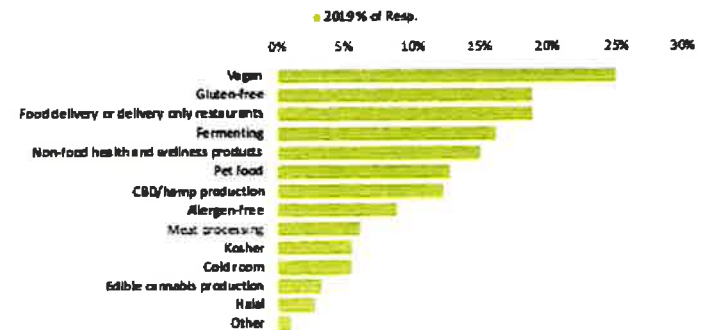
## STORAGE AND CLASSROOM SPACE ARE THE MOST COMMON FACILITIES

What spaces are available at your facility?



## 25% OF FACILITIES ACCOMMODATE VEGAN PRODUCTS

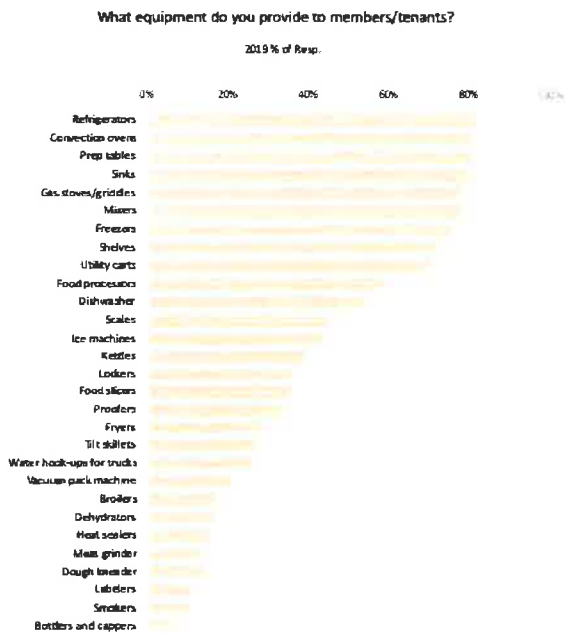
Do you accommodate specialty production for any of the following?



Note: 2015 survey results were not included for comparison due to significant changes in categories used

Facilities

## REFRIGERATORS AND CONVECTION OVENS ARE THE MOST COMMONLY PROVIDED EQUIPMENT



### FROM SURVIVOR TO CHAMPION: BINI'S KITCHEN

Nepal native and domestic violence survivor Bini Pradhan was supporting herself by selling momos out of the back of her car. Her food was so good, she built a following of about 100 families and it was time to find production space to meet this demand. Bini came to La Cocina with her brother-in-law as support for her interview. She launched Bini's Kitchen at La Cocina, where she was connected with catering clients, farmers markets and other sales channels, growing to \$1 million in sales from inside the shared kitchen. La Cocina helped Bini negotiate space in an affordable housing development and worked with Bini to find investors. Bini's Kitchen is now a \$2 million business with 22 employees. Select Bini's dishes are featured in the new cookbook, "We are La Cocina".



Facilities

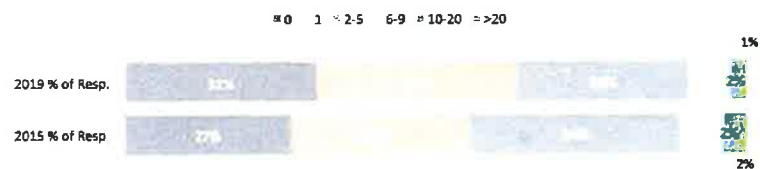
## OPERATING MODEL

Shared use food facilities have very lean operations with few employees and modest operating budgets. Most costs go towards rent and salaries with lesser amounts to utilities and maintenance. Most revenue is generated from renting shared or permanent commercial or flexible space, or through a variety of smaller revenue-producing activities.

### KITCHEN INCUBATORS HAVE FEW, IF ANY, EMPLOYEES

Most shared kitchens have very few full- and part-time employees, including 31 percent and 38 percent of facilities respectively that claim to have no full- or part-time employees at all. Ninety-one percent have five or fewer full-time employees, similar to 2015 when 90 percent had five or fewer.

#### Full-time paid employees



#### Part-time paid employees



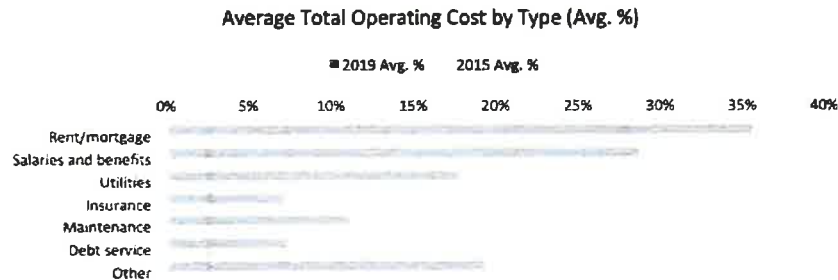
## HALF OPERATE ON LESS THAN \$100,000

Shared kitchens with operating budgets of less than \$100,000 make up more than half of all respondents, up from 49% in 2013. Those with a budget of \$500,000-\$999,999 had the largest decrease, going down to 4 percent of respondents in 2019.



## LARGEST OPERATING COSTS ARE RENT AND SALARY

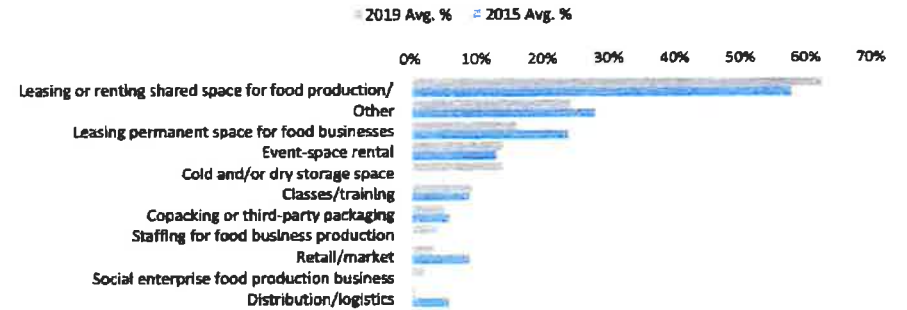
The highest operating costs for incubators are rent/mortgage, salaries and benefits, and other costs, with utilities, maintenance, insurance, and debt service making up smaller, but still significant portions of costs.



## LEASING SHARED SPACE IS THE PRIMARY REVENUE SOURCE FOR MOST SHARED KITCHENS

Leasing shared space for food production is by far the biggest revenue source for incubators, making up an average of 63% of total revenue across respondents. Leasing permanent space makes up a high portion of revenue for several respondents, indicating a greater focus for some facilities on full-time tenants than shared space. Other revenue generating sources include renting storage space, serve-safe or training classes, event space rentals, or offering food production labor-as-a-service.

Please provide the approximate percentage of your total revenue for each of the following sources of revenue (Avg. %)



## LEVELING UP: JAMAICA MI HUNGRY

Chef Ernie Campbell worked in the restaurant industry in Jamaica. As a new immigrant in the US, Ernie took hotel line cook jobs but his heart was in launching his own business. He had a vision of bringing authentic Jamaican food to Boston. Ernie established a small business as a personal chef, later rolling out two food trucks and a beach town cafe. Then Ernie joined the members at Commonwealth Kitchen, occupying a takeout kiosk on-site. At Commonwealth Kitchen, Ernie received business coaching and learned to grow smartly. He used the shared facility at reasonable rates and was able to hire local community members. When the time was right, Ernie received support securing a ready space and he is now breaking ground on his very own brick-and-mortar location in Boston. Commonwealth Kitchen provided a platform for Ernie to level up sustainably, transitioning from a mobile to permanent location within 5 years.



Photo source: *The Bay State Banner*

## TENANTS

Three-fourths of shared use food facilities have fewer than thirty members/tenants who utilize a small number of shared spaces. Members/tenants generally stay longer than a year. Nearly half of facilities have majority women tenants and for most facilities, people of color make up less than 30 percent of tenants.

### 75 PERCENT HAVE FEWER THAN 30 TENANTS

Most shared kitchens have between less than 30 users/tenants. The median range of users is between 10 to 19 members/tenants.

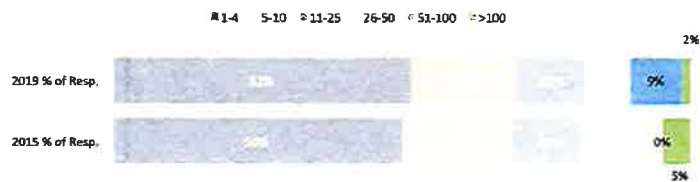
#### How many shared-space members/tenants do you have?



### HALF CAN ACCOMMODATE UP TO FOUR SHARED USERS AT A TIME

Shared kitchens accommodate small numbers of shared users at a time. A majority of facilities accommodating 1-4 shared users are less than 5,000 square feet, suggesting that these facilities are primarily used as a shared kitchen space.

#### How many shared users (i.e. different businesses) can you accommodate at one time in your shared-use space?



### 80 PERCENT OF TENANTS STAY ONE YEAR OR LONGER

Respondents report long stays for their members/tenants, as more than half said their tenants stay 1-3 years and another 14 percent report tenancies of longer than three years. In 2015, 75 percent of respondents reported tenants stayed one year or longer, continuing this trend.

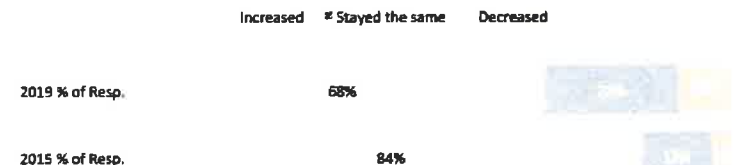
#### How long do tenants/members typically stay in your facility before moving out?



### 68% HAVE SEEN AN INCREASE IN USERS/TENANTS IN THE PAST THREE YEARS

A majority of respondents indicated that their membership has increased over the past three years. This is a decrease from the 2015 report, which reported 84 percent. However, membership appears to remain steady, with 90 percent of respondents stating membership has increased or stayed the same in the past three years.

#### Has the number of your members/tenants increased, decreased, or stayed the same over the past three years?





### ONE-THIRD LEASE FULL-TIME PRODUCTION SPACE

Thirty-four percent of respondents report having at least one tenant who leased full-time production space – defined as space that is exclusive to one tenant and is not shared with others. These tenants are often called "anchor tenants."

How many members/tenants do you have that lease full-time production space (leased space that is exclusive to the one tenant)?

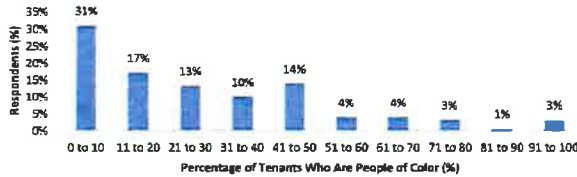


### 52 PERCENT OF TENANTS ARE WOMEN AND 30 PERCENT ARE PEOPLE OF COLOR

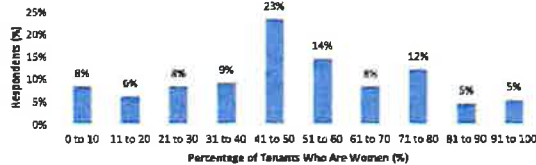
On average, women make up 52 percent of tenants, slightly down from 53 percent in 2016. People of Color average 30 percent of tenants across respondents, up slightly from 28 percent in 2016, although 41 percent of respondents report that between 21 percent and 50 percent of their tenants are People of Color.

However, respondents located in larger metropolitan areas reported higher proportions of tenants who are people of color, with facilities located in the Greater New York metro area reported on average 57 percent of tenants are people of color.

What percentage of your current tenants are people of color?



What percentage of your current tenants are women?

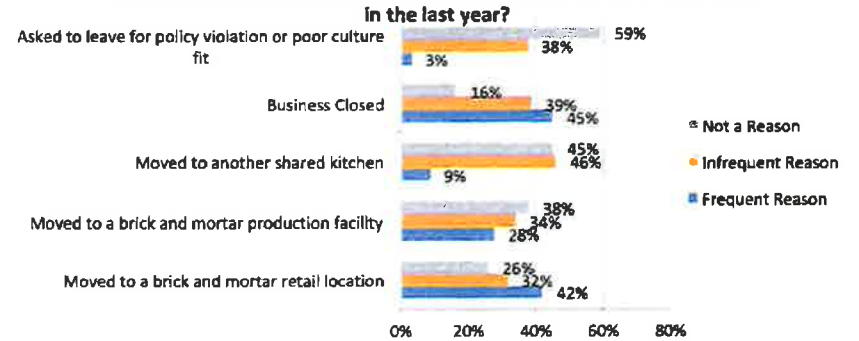


Tenants

### TOP REASONS FOR MEMBERS/TENANTS LEAVING THE FACILITY ARE MOVING ON TO A NEW LOCATION OR BUSINESS FAILURE

In 2019, we asked facilities what were frequent or infrequent reasons tenants/members leave their facilities. 42 percent of respondents list moving to a brick and mortar location as a frequent reason for tenants leaving the facility. However, 45 percent of respondents list business closure as a frequent reason for tenants moving. This shows the variable success rates for shared kitchens focused on business success.

For what reasons have your tenants/members moved out of your facility in the last year?



**"If the [shared kitchen] industry is going to make an impact, then we have to acknowledge that serial entrepreneurship is having the privilege of failing until reaching success. People on the margins are not afforded this privilege. Incubators need to be in the position to absorb that risk."**

- Caleb Zigas, Executive Director of La Cocina

Tenants

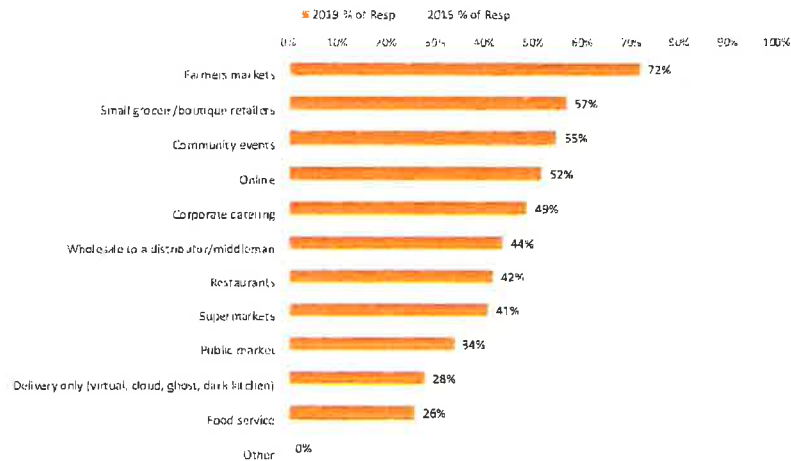
## PRODUCTS

Ready to eat foods and baked goods are some of the most common business products of facilities. Food trucks and prepared meals are also quite popular. Sales are made mostly in the local community, although over half of respondents report that their tenants sell online, as well. Ready to eat foods and baked goods are some of the most common business products of facilities. Food trucks and prepared meals are also quite popular. Sales are made mostly in the local community, although over half of respondents report that their tenants sell online, as well.

### PRODUCTS CONTINUE TO BE SOLD AT LOCAL SPACES AND ONLINE

Businesses are selling products direct to consumer at local events and through retailers similar to the 2016 survey, although "Delivery only" kitchens, a new option asked in 2019, are already found in more than one-in-four facilities.

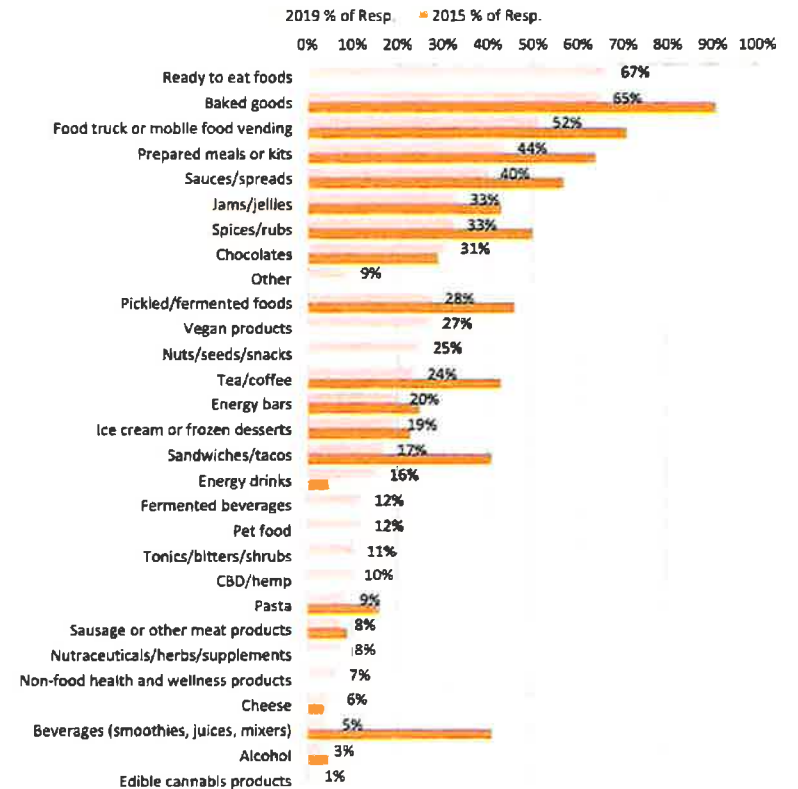
Where do your members/tenants sell their products?



### READY TO EAT FOODS ARE THE MOST COMMON PRODUCT

Ready to eat foods and baked goods are the most common business products at shared use kitchens in 2019 – a shift from baked goods, the top product in 2016. The trends in delivery may be contributing to this growing trend.

What types of products are your members/tenants producing?



## RATES AND PAYMENTS

Typically, shared use food facilities charge tenants for using shared space, storage, and prep space at rates calculated by the hour. Some variable rates are offered, which are most commonly price breaks for renting more hours or renting during off-peak times.

### HOURLY RATES DEPEND ON PEAK USAGE AND TARGETED USES

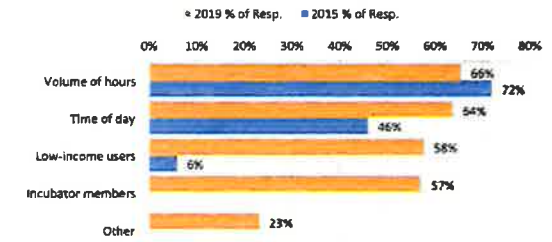
Forty-four percent of respondents charge between \$20 to \$29 per hour during peak usage time. For non-peak usage time, 49 percent of respondents charge less than \$20 per hour. When compared to non-profit and for-profit facilities, 58 percent of non-profit facilities charge less than \$20 per hour during peak usage time, while only 35 percent of for-profit facilities charge less than \$20 per hour.



## SHARED-USE FOOD FACILITIES CONTINUE TO OFFER FLEXIBILITY IN ACCESSING FACILITIES

Hourly rates are also offered on a sliding scale based on volume of hours, time of day, low-income users, and incubation membership. More than half of respondent facilities stated they offered sliding scales for these reasons. Other reasons listed for a sliding scale includes offering discounted rates for targeted users such as emerging entrepreneurs/new businesses, non-profits, users only using limited spaces, culinary students, and farmers renting for value-added production.

### Do you have a sliding scale/different rates for any of the following?



## 70 PERCENT OF FACILITIES HAVE A MEMBERSHIP PLAN

For facilities that charge a monthly membership, a plurality of respondent facilities (25 percent) stated that they have monthly plans that are paid in advance with no roll over of hours. The next most common option is that facilities bill at end of the month based on monthly usage.

### For membership plans, how do you bill tenants? (% of Resp.)



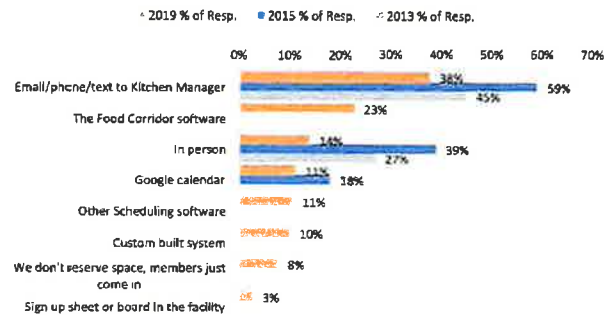
## USER INTERFACE

While many manual methods continue such as reserving space by phone and accessing facilities by key, shared use food facilities are making technological advances by offering online services for members and using digital entry to facilities.

### SCHEDULING SOFTWARE IS NOW THE MOST COMMON WAY TO RESERVE SPACE

About 81 percent of respondents reported that they use some of scheduling software to manager reservations. The industry leader is The Food Corridor software. This is a shift from 2016, in which most respondents reported using email and phone to manage reservations.

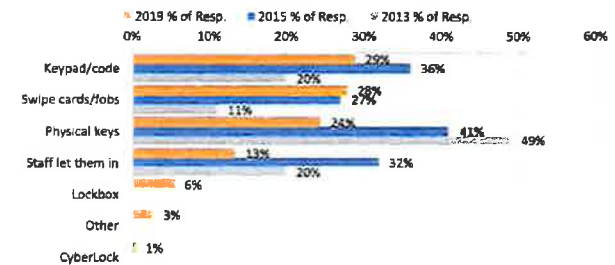
#### How do member/tenants reserve space?



### SHARED-USE FOOD FACILITIES CONTINUE TO OFFER FLEXIBILITY IN ACCESSING FACILITIES

Members/tenants most frequently access the facilities using a keypad/code, swipe card, or cyberlock, with the use of physical keys decreasing in popularity since 2015.

#### How do tenants/members access the facility?

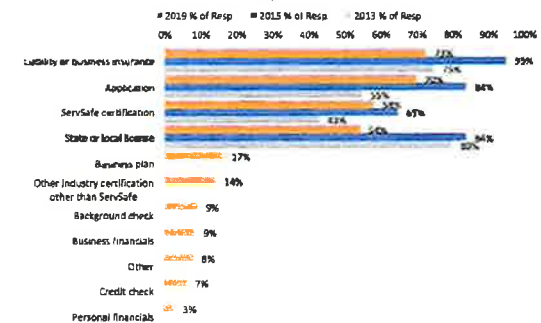


87% offer 24/7 access to members, a 2% decrease since 2015

### MOST REQUIRE FORMAL DOCUMENTATION FOR NEW MEMBERS/TENANTS

Similar to the 2016 study, compliance documentation required consists of formal paperwork such as insurance, applications, and licenses and certifications. The most common requirements of shared kitchen facilities are liability insurance, applications, and proof of food safety training.

#### What documentation do you require for new tenants/members?



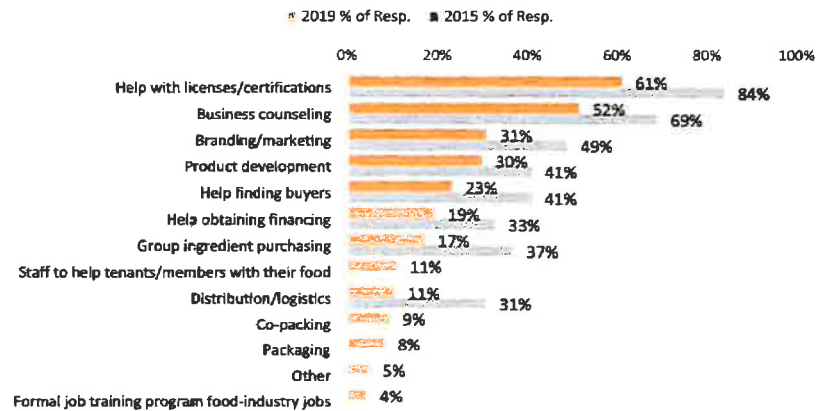
## BUSINESS SUPPORT

A core purpose of shared use food facilities is support for tenant businesses. Assistance with accessing or navigating required licenses and certifications, as well as business planning and counseling are among the top services offered and needed by tenants. Over a quarter of respondents track success outcomes, with job creation, product growth, and revenue growth as the most common. A majority of facilities are mission oriented, with a few models offering programmatic support to help low-income, women, or immigrant business.

### HELP WITH LICENSES AND CERTIFICATIONS AND BUSINESS COUNSELING ARE THE MOST FREQUENTLY OFFERED SERVICES

Similar to 2015, business services continue to be offered in-house and through partnerships. However, it appears that a share of facilities offering in house business services are decreasing, offering potential opportunities for external partnerships and organizations to offer technical assistance.

What service do you provide your members/tenants?



## TENANTS NEED ACCESS TO OPERATING CAPITAL AND MARKETING OPPORTUNITIES

Overall, apart from access to the kitchen space itself, tenants need access to operating capital and business assistance such as marketing and planning. Both incubators with large and small operating budgets listed the same primary needs for its members/tenants.

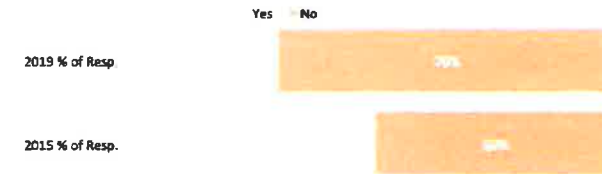
What are the greatest needs of your members/tenants?

1. Access to Kitchen Space and Equipment
2. Access to Operating Capital
3. Market opportunities for selling their product
4. Branding and marketing
5. Product development
6. Access to affordable ingredients
7. Business planning
8. Accessing trained labor
9. Distribution/logistics

### ONLY 30 PERCENT TRACK SUCCESS OUTCOMES OF TENANTS

In 2015, about 50% of facilities tracked at least one business progress outcome, which is 20 percent lower in 2019.

Do you track outcomes from your tenants/members such as business growth or job creation?



**"What's different about us is that we know success rates for food entrepreneurs are low. In response, we offer wraparound business supports and access to markets and capital. We offer what folks who have the resources would go out and pay for through consultants. Business is so skewed in terms of representation, and women and minority entrepreneurs succeed only if they have access to relevant tools and knowledge."**

*-Bonnie Rosenbaum, Director of Communications, Commonwealth Kitchen*

## "MOM! QUIT YOUR JOB AND SELL SAUCE!": FRESH ZEN



Ruby Chan started Fresh Zen three years ago. Her journey into entrepreneurship completes the circle started by her parents decades ago. Ruby's mother and father were engineers in China but upon arriving in New York City found that no one would hire them. This white-to-blue collar flip required them to make their way sweeping floors, washing dishes and working sweatshops. Lower East Side housing projects were home. After nearly 20 years, Ruby's dad saved enough to start his own to-go restaurant, the setting for Ruby's childhood.

Ruby obtained an MBA, setting her on a career path doing marketing and PR work for CPG companies. To manage the stress of coming home and making dinner for four kids who had been in daycare all day, she started making stock sauces for the week and freezing them. Her ginger and scallion sauce and an Asian chimi churi sauce could be whipped up in the Cuisinart and make for a quick gourmet meal. Neighbors and friends love them. Ruby's daughter implored, "Mom, you need to quit your job and sell sauce!" Inspiring her to follow this passion.

To get started, Ruby dove into research on food manufacturing and supply chains, which led her to Commonwealth Kitchen (CWK). Ruby called them up, went through the intake process and learned they could help her figure out startup costs, where to get financing and set her up with mentors and coaches. CWK connected her with the right industry experts. One of her mentors is a soy sauce maker while another is a nutritionist who works for major company. They helped Ruby navigate industry

regulations, product testing and other processes. Culinary experts on-staff helped her understand how to cook safely and properly. All these pieces of support helped her put the entire business together in a fraction of the time and cost it would otherwise take to go to market.

Thanks to the Commonwealth Kitchen relationships, Fresh Zen is rapidly scaling up. Ruby recently received approval for regional distribution into a major national grocer and she is supplying local university foodservice with her bulk sauces. This new business will grow her business ten-fold. CWK coached Ruby in the direction of foodservice for sustainable revenue. Retail margins are so slim, entrepreneurs like her need to keep the balance of sales in favor of higher margin wholesale/bulk business.

Ruby also received advice on women/minority certifications and promoting that aspect of the business. She won a cohort spot with WIN Lab for professional development and now takes on entrepreneurship mentees from Tufts University.

CWK is a special place that brings life experiences full circle for Ruby. If a place like this existed in the Lower East Side while she was young, she believes they would have hired her parents and given them training and opportunities to propel themselves forward. "My parents started from the ground-up without any support and it took the better part of 20 years. Commonwealth Kitchen would have been a great place for my parents to get started."

## SECTION II: LOOKING AHEAD



---

## COMPARISON TO 2015 SURVEY

---

Trends in the shared use food facilities industry point in the direction of more users, a wider variety of products, and a growing professionalism among food businesses and the operations themselves. Challenges remain, such as maintaining the facility and managing operations with lean resources and limited technical and financial support. Facilities are also attracting more emerging food businesses with a wider range of products that require greater technical assistance to help test their product and formalize their business.

The 2019 survey has been designed to continue to evolve and grow with the industry, representing a broader and more refined effort than in past years. As such, the survey includes revised options for responses that expand the information collected from respondents, but also somewhat limiting direct comparisons to past surveys. The 2019 survey also includes a greatly expanded look at more facilities throughout the country, due to a sample size three times that of the 2015 survey—aided by the growth of the Network for Incubator and Commissary Kitchens (NICK), an online network facilitated by the staff of The Food Corridor.

Given the significant growth in sample size from the last survey, some questions surprisingly still received very similar results. For example, the breakdown of for-profit vs. non-profit facilities remained similar at 52 percent and 33 percent respectively in 2019 (with 11 percent in a newly-added “Other” category), compared with 61 percent for-profit and 39 percent non-profit in 2015. In addition, respondents described the primary goal of their facility in a very similar breakdown, with 51 percent focusing on assisting early-growth businesses, compared with 53 percent in 2015. The respondents also displayed similar characteristics between surveys in the percentage of tenants who are women and people of color, the number of shared users that can be accommodated by the facility, and the percentage of facilities reporting making money, breaking even, and losing money.



On the other hand, responses to several questions have differed from past surveys. The 2019 survey shows an increase in the number of facilities less than 3,000 square feet at 45 percent, compared with 35 percent in 2015. Accordingly, the survey group also has more facilities with operating budgets less than \$100,000, at 57 percent versus 49 percent in 2015, and more facilities with fewer than 10 tenants, at 37 percent versus 24 percent in 2015. Further, 58 percent of respondents in 2019 offer different rates for low-income tenants, compared with only 6 percent in 2015. More tenants are also staying for 1-3 years, at 66 percent compared with 46 percent in 2015.

These results paint a mixed picture, but one that seems to indicate that many shared food facilities continue to be mission-focused with a desire to support new businesses. It appears that the industry is trending towards smaller facilities, even as the industry matures and attracts increased levels of investment. Similar challenges remain, as well, with respondents echoing concerns from past surveys of finding quality tenants, maintaining the facility, navigating regulations, marketing the facility, and attracting and retaining staff.

---

## WHAT THE INDUSTRY THINKS ABOUT ITS FUTURE

---

The outlook on the shared use food facility industry is positive. Nearly 70% of respondents noted they think the industry will be growing over the next five years. Many predict this rise may be attributed to increased connections with the food delivery network, which has been rising in popularity as over one-third of respondents' clients only sell their products through a delivery channel. Many see a potential for franchiseable or multiple locations operated by one company, favoring the most efficient management practice, strong brand, and a history of successful incubated or graduated companies. In any case, differentiation and specialization will be key. However, many facilities noted their greatest challenge to be the regulatory climate of the industry, particularly in reference to licenses and legislation.

Many local municipalities lack a regulatory framework for commercial kitchens looking to rent space to multiple tenants, representing unique challenges for food safety and storage. There is considerable complexity around food production of various types all requiring different regulatory frameworks from various agencies. Operators must determine the applicable regulation under which the food produced will be regulated, (local, state food safety regulations, FDA Code, Good Manufacturing Practices (new) federal (USDA/FDA). These are different for fish and fishery products, juice products, acidified foods, low-acid canned foods, alcoholic beverages, ready to eat foods, delivery-bound foods, meat and dairy, frozen foods, and increasingly complicated: hemp, CBD and marijuana foods. Some of which require HACCP plans and traceability. A HACCP (Hazard Analysis and Critical Control Points) plan is a food safety monitoring system that is used to identify and control biological, chemical, and physical hazards within the storage, transportation, use, preparation, and sale of perishable goods. It also determines critical control points (CCP) in the process of food production.



For many shared kitchen facilities and their users, unclear federal or local regulations in regards to kitchen operations and product distribution limit the facilities' full operational potential. In order to better respond to these challenges and scale with the industry, the ability to partner with other organizations seems to be valuable for many facilities. Nearly half of respondent facilities have sought out relationships with other organizations, and others have noted that forming partnerships are currently useful or would be useful to them in the future. The result of strengthening partnerships may provide the ability to better leverage ecosystem services that support the commercial kitchen industry like operational software, equipment purchases, equipment maintenance, sanitation services, laundry, HVAC, sensors, security, labor. In addition, secondary services that support food entrepreneurs like insurance, branding, business development, supplies, ingredients, packaging, distribution, and sales and marketing channels pose big opportunities. A desire for a harmonized, evidence-based food business curriculum was another opportunity that emerged.

---

## MATURATION AND EVOLUTION

---

Shared use kitchens are important institutions connecting small to medium-sized food entrepreneurs to an evolving consumer market. Operators and their facilities tend to be the center of local food systems as micro clusters and are a key entry point for new entrepreneurs, the largest proportion of whom have a high school education or less.<sup>26</sup> As such, shared kitchens play a key role as a nexus point of the local economy. A unique feature of the industry is that it serves a diverse set of entrepreneurs and end-users, meeting different needs of the overall food system. This diversification creates stability and puts shared kitchens at the center of the food entrepreneurship ecosystem.

The shared use food facility industry has an opportunity to differentiate itself from other commercial kitchen businesses by focusing on the impacts of the kitchen incubators on reducing the racial wealth gap through entrepreneurship. According to the Kauffman Foundation, self-employed people hold 37 percent of all wealth in the US.<sup>27</sup> With people of color severely underrepresented in this category and experiencing higher rates of failure than other entrepreneurs,<sup>28</sup> the inclusionary practices and robust supports offered through shared kitchen best practices are moving the needle. Focus on creating opportunities for low-income entrepreneurs are another key differentiator. Low-income entrepreneurs are more likely than others to establish their businesses in their neighborhoods and hire from their communities, creating a compounding benefit for low-wealth neighborhoods.<sup>29</sup> The challenge at hand is measuring that movement.

In 2019, food delivery sales totaled more than \$21 billion in 2019 are projected to grow at an annual rate of 6.5 percent, with restaurant-to-consumer business comprising the biggest share of this opportunity.<sup>30</sup> Due to the demand in online food delivery services, ghost or cloud kitchens are being built to meet the specific needs of food business that only offer delivery services. Large companies with venture capital backing are starting to build out facilities that meet these specific space needs. Current and future shared use food facilities will have to compete with these larger and more capitalized firms for users/tenants, creating an opportunity to support entrepreneurs in capturing this growing

market. Shared use food facilities can differentiate themselves through their community-oriented experiences, established history of helping users, and additional services such as technical assistance and procurement services. This is also an opportunity to support underrepresented entrepreneurs in capturing the growing delivery-only market share.

As the industry grows to adapt to emerging business models and competition, demand for formation of a larger advocacy and support network has grown. While industry support groups have been created specific to geography, through social media, or online communities, many facilities have expressed a desire to establish standard guidelines and resources on the day-to-day operations of a shared-use food facility. Specifically, the Network for Incubator and Commissary Kitchens is the largest informal network of shared kitchens and is facilitated by the staff of The Food Corridor. This private Facebook Group is home to over 1400 shared kitchen owners, operators, and community partners that currently ask questions, share best practices and opportunities, and provide support. In October of 2019, The Food Corridor hosted the network in Austin, Texas for the 2nd annual Food Incubation Summit. The two-day event was geared at food incubator administrators, commissary kitchen operators, and ecosystem service providers supporting the industry. The Summit's educational sessions in the form of panels, quick-fire talks and 1:1 mentoring covered topics ranging from innovative approaches to membership, operations, and policies to designing and implementing incubation programs. Networking events were designed to encourage conversation and collaboration among attendees.

Formation of a membership-based national business association or network presents an opportunity for sharing best practices in key areas like tenant business development, as well as better advocating for shared use kitchen facilities and offering resources for further education and accreditation. By providing a shared set of resources, facilities can better synthesize programming and metrics for tenant success across multiple regions, generating increased financial reputability for businesses seeking financing. Shared kitchens can begin to capture and share better data to improve operations and the flow of resources to the industry.

---

## TECHNICAL ASSISTANCE NEEDS

---

A common challenge for many respondent facilities centers on the theme of further establishing the shared use food facility industry. The industry demands increased awareness, consistency in regulations, and more financing opportunities. Most respondents reported not receiving any tax credits, and many voiced a need for increased access to grant support. There was a great desire to raise awareness to financiers in order to raise capital for their facility or operations. In addition, mission-oriented facilities stated that they track the outcomes of their users/tenants; however, most respondents stated they do not track any outcomes of their users. The industry currently lacks benchmarking for tenant success, i.e. when a business begins to mature and requires

different needs such as additional financing.

Established standards of operation will further help to formalize the industry and provide financial reputability to businesses in the industry seeking financing. Partnering with larger associations of incubators and economic development organizations also represents an opportunity for facilities to better understand their economic impact. Government and institutional partners can help fill the data gap and add critical capacity where small operators are lacking. By addressing these needs, facilities are better able to advocate for funding and address user needs.

---

## TECHNOLOGICAL, CONSUMER, AND SOCIAL DISRUPTION

---

As food delivery services become a larger part of how consumers find, buy, and eat their food, there is a growing demand for the disintermediation of the food supply chain. Consumers around the country are looking for readily available, on-demand options for eating, and are prepared to pay a higher price for a more convenient product. Shared use kitchen facilities can take advantage of this demand by providing space for virtual restaurants or meal delivery businesses, perhaps including delivery or other such services. This new wave in the growing sharing economy also requires special attention be paid to integrating equity into the mission, strategies, and policies of shared use kitchen facilities.





# APPENDICES

---

## APPENDIX A

---

### ENDNOTES

<sup>1</sup> US Small Business Administration Office of Advocacy. Frequently Asked Questions. August 2017. <https://www.sba.gov/sites/default/files/advocacy/SB-FAQ-2017-WEB.pdf>

<sup>2</sup> "The Importance of Young Firms for Economic Growth." Economic Policy Digest. Ewing Marion Kaufmann Foundation. Updated September 14, 2015. Available from: [https://www.kauffman.org/-/media/kauffman\\_org/resources/2014/entrepreneurship-policy-digest/september-2014/entrepreneurship\\_policy\\_digest\\_september2014.pdf](https://www.kauffman.org/-/media/kauffman_org/resources/2014/entrepreneurship-policy-digest/september-2014/entrepreneurship_policy_digest_september2014.pdf); internet.

<sup>3</sup> Fairlie, Robert, Sameeksha Desai, and A.J. Herrmann. (2019) 2018 National Report on Early-Stage Entrepreneurship, Kauffman Indicators of Entrepreneurship, Ewing Marion Kaufmann Foundation, Kansas City. Available from [https://indicators.kauffman.org/wp-content/uploads/sites/2/2019/09/National\\_Report\\_Sept\\_2019.pdf](https://indicators.kauffman.org/wp-content/uploads/sites/2/2019/09/National_Report_Sept_2019.pdf)

<sup>4</sup> Patti Wilber, and Leonard Dixon. The Impact of Business Incubators on Small Business Survivability. Association of Small Business and Entrepreneurship Annual Conference 2003 proceedings; available from <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.598.6767&rep=rep1&type=pdf>; Internet.

<sup>5</sup> Ibid.

<sup>6</sup> Mercedes Delgado, Michael Porter, and Scott Stern. "Clusters and Entrepreneurship." Journal of Economic Geography 10, No. 4 (2010): 495-518. ([http://www.clustermapping.us/sites/default/files/files/resource/Clusters\\_and\\_Entrepreneurship.pdf](http://www.clustermapping.us/sites/default/files/files/resource/Clusters_and_Entrepreneurship.pdf))

<sup>7</sup> "The Importance of Young Firms for Economic Growth." Economic Policy Digest. Ewing Marion Kaufmann Foundation. Updated September 14, 2015. Available from: [https://www.kauffman.org/-/media/kauffman\\_org/resources/2014/entrepreneurship-policy-digest/september-2014/entrepreneurship\\_policy\\_digest\\_september2014.pdf](https://www.kauffman.org/-/media/kauffman_org/resources/2014/entrepreneurship-policy-digest/september-2014/entrepreneurship_policy_digest_september2014.pdf); internet.

<sup>8</sup> Ibid.

<sup>9</sup> Ibid.

<sup>10</sup> Karliah Laney, with Jonathan Bowles and Tom Hilliard. "Launching Low-Income Entrepreneurs." Center for An Urban Future. April 2013. Available from: <https://nycfuture.org/pdf/Launching-Low-Income-Entrepreneurs.pdf>

<sup>11</sup> Statista.com Industry Outlook (<https://www.statista.com/outlook/374/109/online-food-delivery/united-states>).

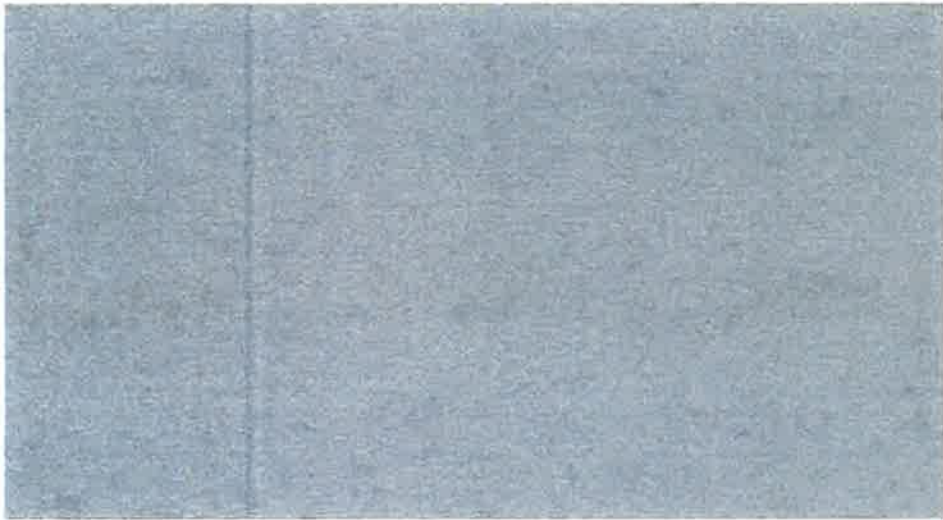


**ESI** ECONCONSULT  
SOLUTIONS INC.

**UD**  
URBANE  
CONSULTING

THE  
**FOOD**  
CORRIDOR

 CATHARINE  
STREET  
CONSULTING



**Open  
Public  
Hearing**

# TAB 15



**Town of Lake Park Town Commission**

**Agenda Request Form**

**Meeting Date: August 5, 2020**

**Agenda Item No.**

**Agenda Title: PUBLIC HEARING on Proposed Sanitation Rate Adjustments.**

- SPECIAL PRESENTATION/REPORTS     CONSENT AGENDA  
 BOARD APPOINTMENT     OLD BUSINESS  
 PUBLIC HEARING ORDINANCE ON \_\_\_\_ READING  
 NEW BUSINESS  
 OTHER: \_\_\_\_\_

**Approved by Town Manager** Bambi McKibbon-Turner **Date** \_\_\_\_\_  
Digitally signed by Bambi McKibbon-Turner  
 DN: cn=Bambi McKibbon-Turner, o=Town of Lake Park, ou=Assistant  
 Town Manager/Human Resources Director,  
 c=US  
 Date: 2020.07.20 14:47:33 -0400

*RS* **July 20, 2020**

**Richard Scherle / Public Works Director**

<b>Originating Department:</b> <b>Public Works</b>	<b>Costs: N/A</b> Funding Source: N/A Acct. N/A <input type="checkbox"/> Finance _____	<b>List of Exhibits:</b> 1. <b>Presentation Slides, Prepared by Raftelis Financial Consultants, Inc.</b> 2. <b>Final Report, Prepared by Raftelis Financial Consultants, Inc.</b>
<b>Advertised:</b> Date: July 5, 2020 Paper: Palm Beach Post <input type="checkbox"/> Not Required <b>***ALSO, direct mailings were sent to each property that may be affected by the proposed rates, serving to notify of tonight's public hearing.</b>	All parties that have an interest in this agenda item must be notified of meeting date and time. The following box must be filled out to be on agenda.	<b>Yes I have notified everyone</b> <u>R.Scherle</u> OR Not applicable in this case ____ <b>Please initial one.</b>

**Summary Explanation/Background:**

Tonight's public hearing is being held to discuss proposed needed adjustments to the sanitation assessment and fees that are used to fund the Town's solid-waste collection and disposal operation. It has been six (6) years since

the last rate adjustment, and the Town has worked hard to keep rates low while still being able to provide the level of service that Lake Park residents and businesses have come to expect. However, during that time, costs have increased and capital requirement obligations have accrued. Tonight's presentation from Raftelis Financial Consultants, Inc. will detail some of these cost increases and revenue requirements, and document, in great detail, why a rate adjustment is needed. In summary, the recommendation is a 9% increase to rates, as further detailed within the attached final report and presentation slides. This information is the result of a months-long, grueling study of every aspect of the finances pertinent to the solid-waste operation. Additional details can be found in Exhibit 2 as attached to this agenda item, which is the final report as prepared by the Town's financial consultant.

In March 2020, the Town hired Raftelis Financial Consultants, Inc., a firm with extensive experience in the area of utility rate studies in Florida. They have performed similar studies for municipalities and counties all over the State. It was the Town's intent to hire the best professional financial firm to assist it with fully analyzing the Town's solid-waste utility fund, and to prepare projections of how much funding is needed to make sure the fund stays healthy and able to continue providing reliable service. A public workshop and various meetings with Commissioners have already taken place to review the initial study findings and recommendations, all of which have subsequently been adjusted based upon feedback from the Commission. If adopted, the proposed rates and fees will be brought back at the next public meeting to adopt by Resolution.

This public hearing is being provided for many reasons. First, it is meant to ensure Town residents have a full picture of the financial health of their solid-waste enterprise, and to provide a forum to receive any written objections, testimony, or any other comments from any interested person who may be affected by the proposed assessment. It is crucial that residents and businesses know why this adjustment is needed, and to also know where the funding will be spent if the changes are adopted. At the end of the day, it is the Town staff's intent to make sure the solid-waste service is reliable, consistent, safe, and efficient, while at the same time, remaining extremely competitive with the rates assessed by other south Florida municipalities.

As aforementioned, the attached financial documents prepared by Raftelis Financial Consultants, Inc. detail the proposed rates and recommendations. The final recommended rate adjustment is a 9% increase from current rates.

For a typical single family residential household, this would amount to an increase of \$19.39 per year (or \$1.62 additional fee per month) over the current rate of \$215.49, which equates to a proposed yearly total rate of \$234.88, or \$19.57 per month. Also, the proposed rates include increased commercial dumpster collection fees at a rate of 9%. The exact fees are included in the attachments to this agenda item.

#### DISCUSSION OF PRIVITIZED SERVICES:

As these adjustments are considered, it is important to remember that solid-waste services could be privatized, which may potentially result in a lower cost of service provision for solid-waste operations. This privatization means that the Town would no longer provide solid-waste collection services itself for residents and businesses. In this scenario, instead of Public Works providing solid-waste collection and disposal, a private company would provide these services. In order to provide a fully reliable and accurate cost comparison, the Town would need to go out to bid for such services. Having said that, we are indeed able to provide a frame of reference for comparison purposes based upon recent pricing from Waste Management which was provided to the Town as part of its emergency COVID19 response. Waste Management was engaged as a "back-up" plan via Memorandums of Understanding, and pricing was given to the Town as part of this process for all services currently provided in-house. These MOUs were established as a precautionary measure in case the Town's personnel became incapacitated by COVID19, in which case, Waste Management would step-in on an emergency basis to make sure there were no interruptions to service. It is important to note that it is likely that a competitive bidding process could result in lower costs than what are currently provided in these MOUs, which can be considered to be "one-off" stand-in emergency services. If the Town engages a private waste hauler in a long term contract, these private

haulers are often able to provide more attractive pricing than what is possible when providing limited, emergency services on an “on-call” basis. However, based upon current MOU pricing, the estimated cost of privatized services is as follows:

Privatized commercial dumpster collections:	\$1,632,000 Annually	
Privatized residential curbside collections:	\$1,332,000 Annually	(includes gray can service, bulk trash, vegetative waste, and recycling disposal)
Total Estimated Annual Cost:	\$2,964,000 Annually	

As aforementioned, because the estimated cost above is based on short term pricing, it is likely that a long-term standard contract could result in lower pricing. Therefore, if we assume a 20% reduction to this total estimated annual cost to account for better pricing, we arrive at a total estimated annual cost for privatized services of \$2,371,200.

In order to make a comparison of the costs of in-house provided services against the cost of privatized services, we must compare the two costs as follows:

In-house annual service cost	= \$2,214,449.45 (current rate plus proposed 9% increase)
....versus....	
Estimated annual cost of privatized services	= \$2,371,200

Based on this analysis, it is clear that the costs of in-house provided services, even with the proposed 9% increase, are quite competitive with the privatized service. As mentioned earlier in this analysis, because these numbers for privatized services are based upon estimated figures, the Town would need to establish a competitive bidding process to solicit from the market the best possible pricing available to the Town. In summary, while it is possible that slightly better pricing could be achieved by outsourcing the Town’s solid-waste operation, the Town’s cost of service provision is expected to be extremely competitive with the private market.

**Recommended Motion:** N/A

# EXHIBIT 1



# Presentation to Town of Lake Park, Florida



## SANITATION UTILITY RATE STUDY

Presented by:



RAFTELIS



# Agenda

---

- Study Goals and Purpose
- Existing Operating Conditions
- Revenue Assumptions
- System Revenue Requirements
- Projected Rate Adjustments



# Sanitation Utility Rate Study

---

- Purpose and Goals
  - Develop a five-year financial forecast through Fiscal Year 2025
  - Ensure adequate funding of operations and replacement of vehicles and equipment
  - Identify the need for rate adjustments during the study period



# Existing Conditions – FY2020 Budget

---

System Revenues	\$1,760,900
System Operating Expenses	\$1,412,907 <sup>[1]</sup>
Debt Service	\$ 327,747
Transfer to General Fund	<u>\$ 260,000</u>
Surplus/(Deficiency)	\$ (239,745)[1]

[1] Amount shown is net of depreciation expense and capital outlay.

[2] Amount funded from Cash Carry forward used to purchase two new garbage trucks.

- System is projected to have approximately \$0 in cash reserves as of September 30, 2020



# Revenue Assumptions

---

- No new customer growth assumed
  - Approximately \$1,682,000 in net rate revenue after early payment discount and tax collector fees
  - Historical rate revenues have been fairly consistent
- Other revenues include miscellaneous charges and interest income



# Projected Operating Expenses

---

- Operating expenses projected based on the revised Fiscal Year 2020 budget
  - FY2021 Includes \$536,197 transfer to the General Fund for Indirect Cost Allocation
  - Projected labor costs reflect proposed FY2021 personnel services costs and include a 3.5% annual increase in direct labor costs thereafter
  - Amounts reflect a 3% increase in disposal costs
  - Operating Expenses projected to increase approximately 3.6% per year on average
  - Total Expenditures including Debt Service projected to increase approximately 6.0% per year on average



# Escalation Factors

---

General Inflation  
Average 2.5%

Labor  
3.5%

Health Insurance  
8.0%

Disposal Fees  
3.0%

Fuel  
2.5%

Vehicle Cost &  
Repair  
5.0%



# Projected Capital Expenditures

---

- Capital Improvement Plan for Fiscal Years 2021-2025:
  - 2 Front End Loaders
  - 2 Clam Shells
  - 2 Automated Side Loaders
  - 1 Rear Loader
  - Carts (propose to take funding from reserves payback at 5% interest)
- Total capital funding of \$1,972,500 or annual average funding need of approximately \$394,500 per year





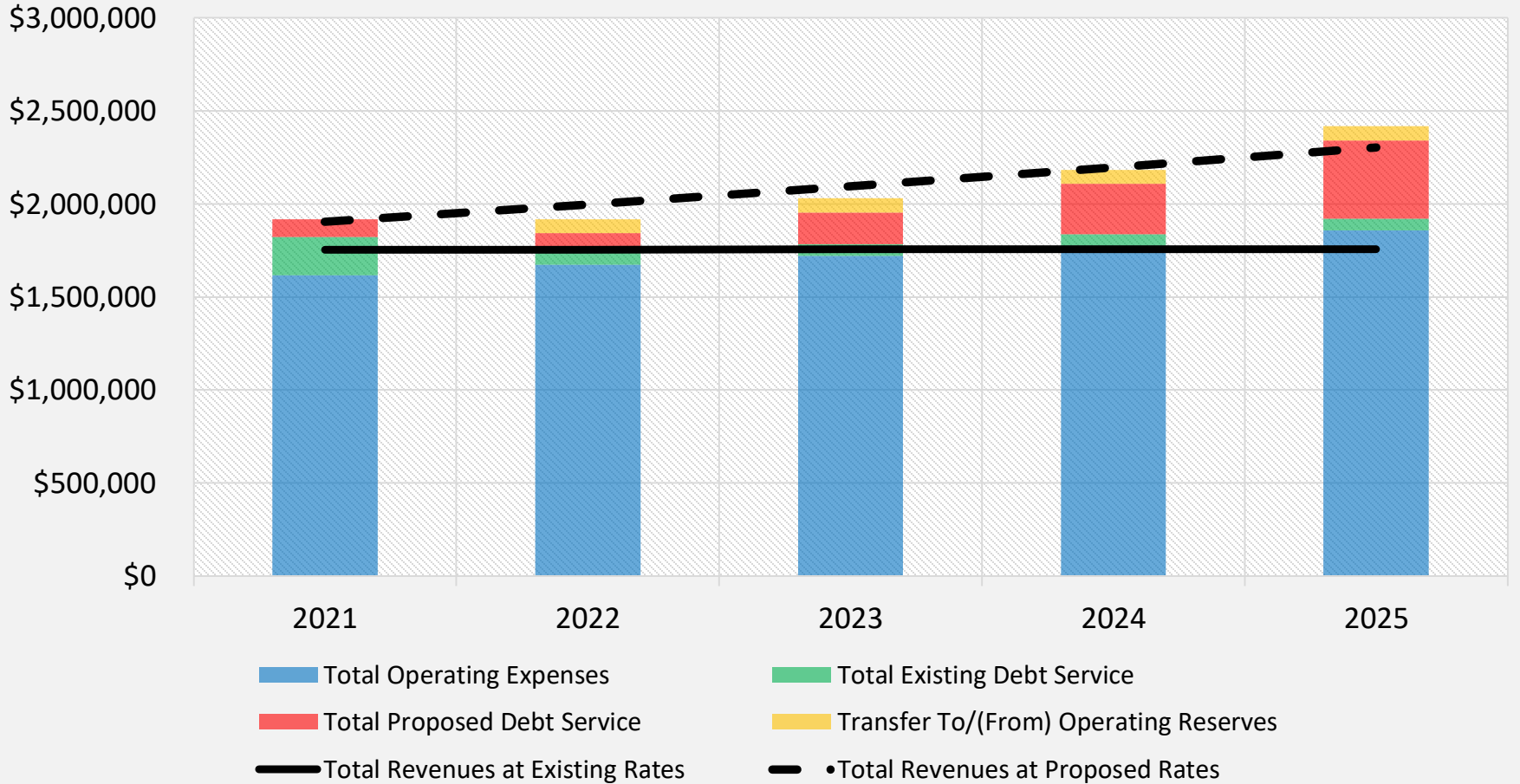
# Reserve Fund Balances

---

- As of September 30, 2020, Sanitation Division is projected to have no cash reserves
- Study assumes a target reserve fund balance of sixty days of operating expenses or approximately \$306,000 by FY2025.
- The proposed rates achieve the target balances over the Forecast Period



# Sanitation System Revenue Requirements





# Sufficiency of Existing Rates

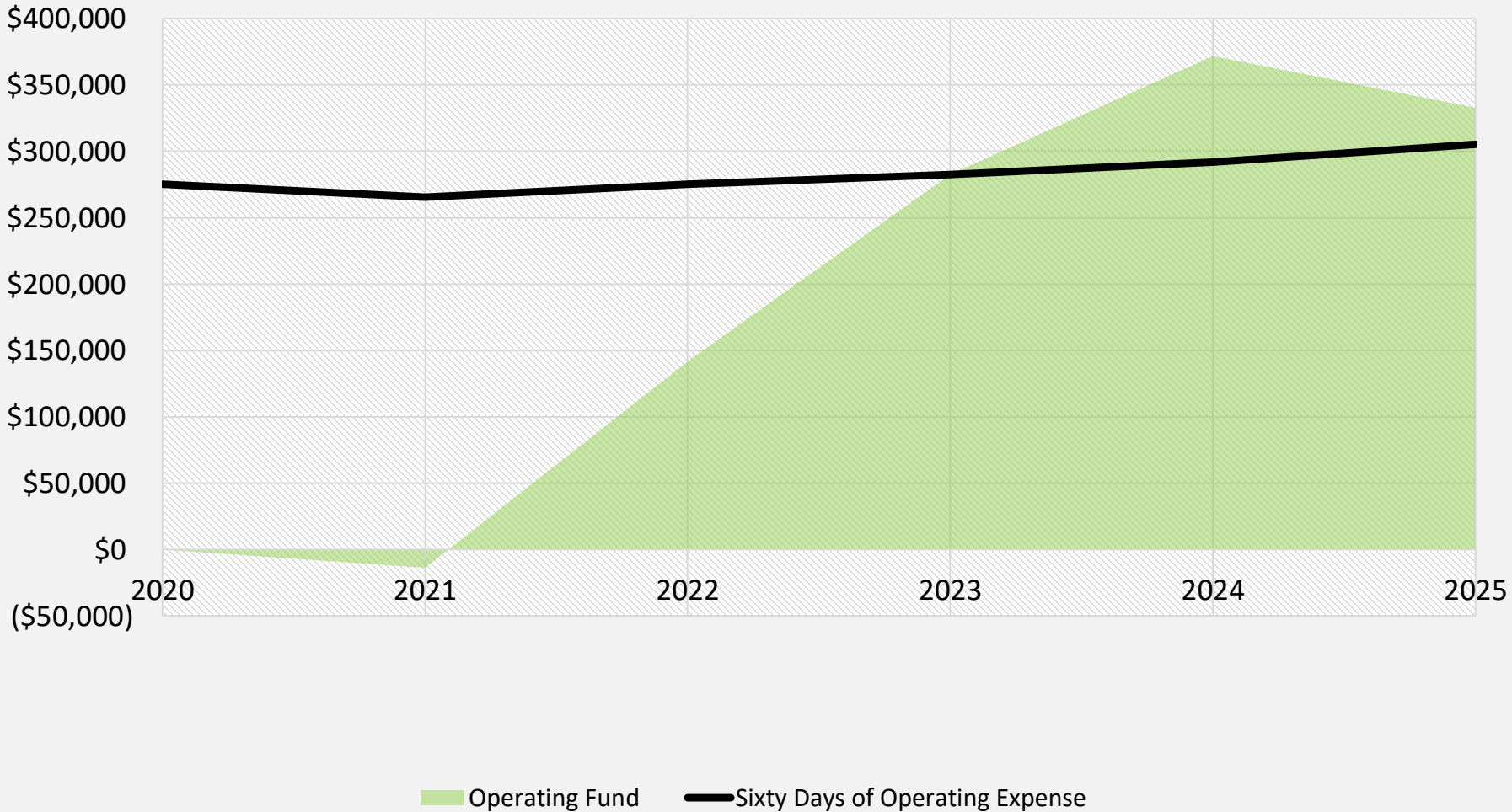
---

Projected Rate Adjustments				
2021	2022	2023	2024	2025
9.0%	5.0%	5.0%	5.0%	5.0%



# Operating Reserve Balance

## Operating Reserves Ending Cash Balance





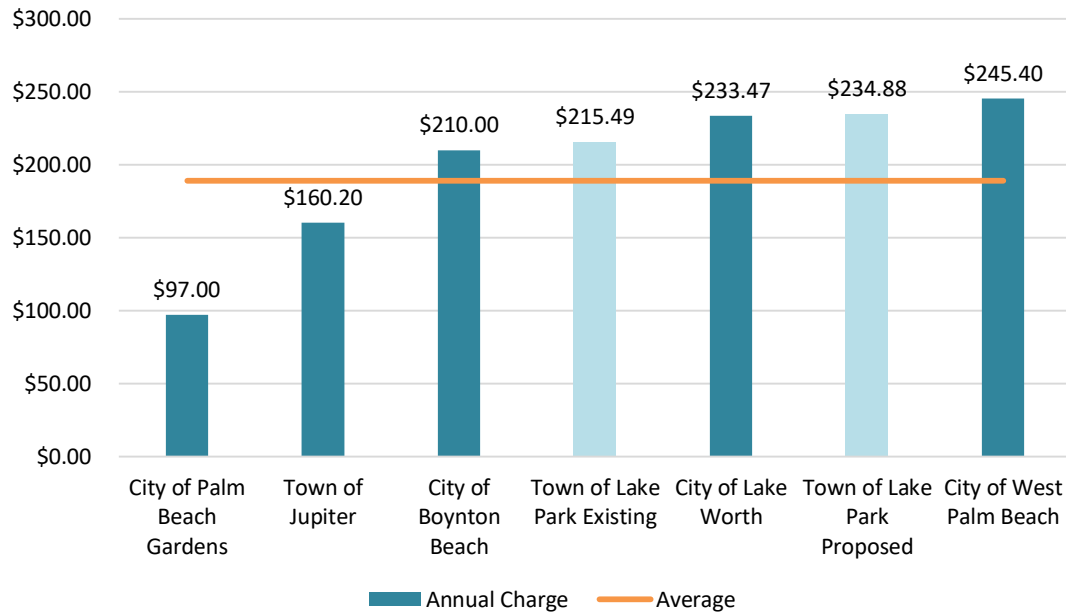
# Proposed Residential Rates

<u>Service Type</u>	<u>Existing</u>	<u>Proposed FY2021</u>
Single Family	\$215.49	\$234.88
Mobile Homes	\$215.49	\$234.88
Multi-Family <5 units	\$215.49	\$234.88
Multi-Family > 4 units	\$145.93	\$159.06



# Rate Comparison

Palm Beach County - Annual Residential Bill Comparison





# Why Rates are Different

---

- ❖ Differences among rates may be due to:
  - Frequency of collection
  - Types of waste collected
  - Type of collection service (e.g., automated)
  - Disposal options and fees
  - Density of service area
  - Age of fleet and facilities
  - Fuel source



# Findings and Conclusions

---

- ❖ Existing rates are not projected to be sufficient
- ❖ The Town is recommended to adopt the proposed sanitation rates for Fiscal Year 2021
- ❖ Property value enhancement due to collection and disposal of solid waste due to elimination of health hazards, promotion of cleanliness and safety, and aesthetics should exceed the overall cost of the assessments. Therefore, the service represents a special benefit.
- ❖ Proportionality of the assessments upon benefitted properties, as previously established in Resolution No. 20-07-14 has been preserved.
- ❖ The Town should periodically review the adequacy of sanitation rates over the course of the study period to ensure revenue sufficiency in subsequent years.



## EXHIBIT 2

# **TOWN OF LAKE PARK, FLORIDA**



## **SANITATION RATE STUDY**

**July 10, 2020**





July 10, 2020

Mr. Richard Scherle  
Director of Public Works  
Town of Lake Park  
535 Park Avenue  
Lake Park, FL 33403

Subject: **Sanitation Rate Study**

Dear Mr. Scherle:

Raftelis Financial Consultants Inc. ("Raftelis") has completed the study of the sanitation system (the "System") financial plan and rates for the Town of Lake Park, Florida (the "Town"), and has summarized the results in this letter report your consideration. This report summarizes the financial plan for Fiscal Year 2021 through Fiscal Year 2025 (the "Study Period") and proposed rate adjustments for the same period. The purpose of this study was to:

- Identify the ability of revenues derived from the current charges for sanitation service to fund the projected financial and expenditure requirements of the System and necessary transfers;
- Provide recommended rates to recover the projected financial and expenditure requirements of the System;
- Provide an evaluation of the overall financial position and cash balances of the System; and
- Develop a financial plan in conjunction with Town staff to promote and maintain long-term sustainability based on the funding goals and objectives of the System.

To develop the proposed sanitation system financial plan and rates, we have relied upon certain information and data provided by the Town including the Town's comprehensive annual financial reports ("CAFR"), the Fiscal Year 2020 operating budget and certain data derived from the proposed Fiscal Year 2021 operating budget, estimated capital expenditures, customer statistics, periodic reports, records of operation, and other information and data provided by the Town. To the extent we have performed our analyses using certain data and information obtained from the Town in the preparation of this report, we have relied upon such information to be accurate and no assurances are intended, and no representation or warranties are made with respect thereto or the use made herein.

## CONCLUSIONS AND RECOMMENDATIONS

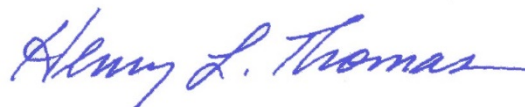
Based on our studies, assumptions, considerations, and analyses as summarized herein, we are of the opinion that:

1. The Town's existing rates for sanitation service are not anticipated to be sufficient to recover the projected system costs and financial requirements for the Study Period.
2. In order to meet the projected revenue requirements of the System, it is recommended that the Town consider rate adjustments of nine percent (9.0%) for Fiscal Year 2021 followed by adjustments of five percent (5%) per year for Fiscal Years 2022 through 2025.
3. Property value enhancement due to the collection and disposal of solid waste due to elimination of health hazards, promotion of cleanliness and safety, and aesthetics should exceed the overall cost of the assessments. Therefore, the service represents a special benefit.
4. Proportionality of the assessments upon benefitted properties, as previously established in Resolution No. 20-07-14, has been preserved.
5. The Town should periodically review the adequacy of sanitation rates over the course of the Study Period to ensure revenue sufficiency in years subsequent to Fiscal Year 2021.

We appreciate the opportunity to be of service to the Town and would like to thank the Town's staff for their valuable assistance and cooperation during this study.

Respectfully submitted,

**Raftelis Financial Consultants, Inc.**



Henry L. Thomas  
Vice President

HLT/dlc  
Attachments

# TOWN OF LAKE PARK, FLORIDA

## SANITATION RATE STUDY

---

### INTRODUCTION

Raftelis Financial Consultants, Inc. ("Raftelis") was tasked with the preparation of a five-year financial forecast of the Town of Lake Park's Sanitation System (the "System") encompassing Fiscal Years 2021 through 2025 (the "Study Period"). This report, which should be read in its entirety, provides a summary of customer and financial trends, study methodology, principal assumptions, findings, and recommendations, and an overview of the projected financial position of the Town of Lake Park's (the "Town") Sanitation Division. The rate recommendations as set forth in this study are based on the financial projections developed for the System.

### EXISTING SERVICE AND RATES

The Town provides solid waste collection service to residential and commercial properties within the Town. Customers receiving can service receive twice-weekly garbage and once-weekly recycling and bulk waste collection. Customers receiving container (i.e., dumpster) service have a variety of options regarding container size and collection frequency. Residential sanitation services are billed annually as a non-ad valorem assessment. Non-residential sanitation service is billed monthly by the Town. Below are the Town's existing rates for residential sanitation service, which have not been adjusted since Fiscal Year 2014.

#### Existing Annual Rates for Residential Sanitation Service

Service Type	Existing Rate
Single-Family	\$215.49
Mobile Home	\$215.49
Multi-Family per Unit (Less than 5 Units)	\$215.49
Multi-Family per Unit (Greater than 4 Units)	\$145.93

Below are the Town's existing sanitation rates for commercial dumpster service, which were adopted in Fiscal Year 2014.

#### Existing Commercial Dumpster Rates

Cubic Yards	Once/Week	Twice/Week	Three Times/Week	Four Times/Week	Five Times/Week
0.5	18.54	37.09	55.63	74.18	92.72
2.0	74.21	148.41	222.61	296.83	371.04
3.0	111.31	222.61	333.92	445.22	556.53
4.0	148.41	296.83	445.22	593.66	742.07
6.0	222.61	445.22	667.83	890.44	1,113.06
8.0	296.83	593.66	890.49	1,187.32	1,484.15

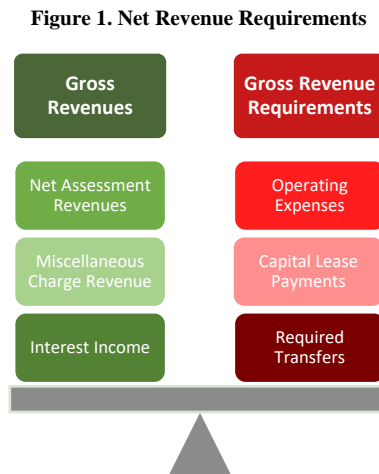
(Remainder of page intentionally left blank)

## REVENUE PROJECTIONS

For Fiscal Year 2020, the Town billed revenues of approximately \$1,682,000 in sanitation rate revenue. As stated above, the sanitation rates for residential service are billed through a non-ad valorem assessment and the rates for commercial collection services are billed monthly by the Town. The projected residential revenues to be collected through non-ad valorem assessments reflect amounts associated with the discount for early tax payment per Florida Statutes, Chapter 197.162 and tax collector fees, both of which reduce the revenues available for System purposes. Based on discussions with Town staff, the service area is essentially built out and, therefore, it is not projected that the Town will realize any significant customer growth for residential or commercial service throughout the Study Period. As a result, it is projected that sanitation system revenue will be approximately \$1,682,000 per year for the Study Period based on existing rate levels.

## REVENUE REQUIREMENTS

The various components of cost associated with operating and maintaining a municipally owned sanitation system, as well as the cost of financing the renewal and replacement of vehicles and equipment and required transfers are generally referred to as the cash revenue requirements. The sum of these cost components, after adjusting for other income and other operating revenues available to the System, represents the net revenue requirements to be recovered from sanitation rates.



The projected revenue requirements include the various generalized cost components described below:

- **Operating Expenses:** Includes the cost of disposal service, labor and personnel related costs, contractual services, vehicle and fleet maintenance, utilities, operating supplies, equipment repairs and maintenance, indirect cost allocation of certain General Fund expenses and other items necessary for the provision of sanitation services.
- **Other Revenue Requirements:** Includes, in general, any recurring capital improvements to be financed from revenues such capital lease payments for replacement vehicles and transfers to cash reserves if necessary, to establish and maintain minimum operating reserve cash balances.

## PRINCIPAL ASSUMPTIONS AND CONSIDERATIONS

The projected cash revenue requirements, as shown on Table 1 reflect certain assumptions, considerations, and analyses. The major assumptions, considerations and analyses that are included in the development of the projected revenue requirements for the Study Period are as follows:

1. The Fiscal Year 2020 operating budget provided by the Town served as the basis for the expenditure projections set forth herein. Unless otherwise noted, the underlying assumptions and expenditure amounts included in the operating budgets are assumed to be reasonable and reflect anticipated operations. Such budgetary amounts are incorporated into the revenue requirement component of the study, except for adjustments and assumptions as noted hereunder.
2. Projected revenues from existing sanitation rates are based on the schedule of rates in effect as of the date of this report, which have not been adjusted since Fiscal Year 2014.
3. The operations and maintenance expenses budgeted for Fiscal Year 2020 for sanitation service are projected for the five (5) years of the Study Period using various escalation factors. These escalation factors and the resulting operating cost projections are shown on Tables 2 and 3, respectively. The projected operating expenses were developed for the Study Period as follows:
  - a. Based on discussions with the Town staff, labor- and personnel-related costs other than health insurance are projected to increase 3.5% annually. The cost of employee health insurance paid by the Town is escalated by 8.0% annually to reflect higher increases, compared to general labor escalation, in insurance costs over the next several years.
  - b. Budgeted Fiscal Year 2020 operating expenses such as operating supplies, training and travel are projected to increase from current budgetary levels at an annual rate of inflation of approximately 2.6%. The forecast of inflation was based upon Consumer Price Index for All Urban Consumers ("CPI") forecasts prepared by the Congressional Budget Office ("CBO") as contained in "The Budget and Economic Outlook: 2020 to 2030" report and was published in January 2020.
  - c. The cost of replacing sanitation vehicles and equipment repairs are projected to increase by 5.0% annually based on recent historical expenditures and discussions with Town staff.
  - d. The Town disposes of waste at facilities owned by Palm Beach County Solid Waste Authority and is charged disposal fees. Disposal fees charged for the disposal of solid waste currently account for approximately thirteen percent (13.0%) of total System operating expenses and are projected to increase 3.0% annually.
4. The projected capital expenditures for the sanitation system are based on vehicle replacements plans provided by Town staff. The plan assumes that the unit cost of new replacement vehicles is projected to increase in cost by five percent (5.0%) per year. The System is projected to spend \$394,500 per year on average for vehicle and equipment replacement. Table 4 sets forth the projected capital expenditures. It is assumed that

expenditures for vehicle replacements are financed through capital leases. The projected expenditure for recycling carts of \$135,000 is assumed to be financed with an internal loan from the Town's general fund reserves to be repaid over five years.

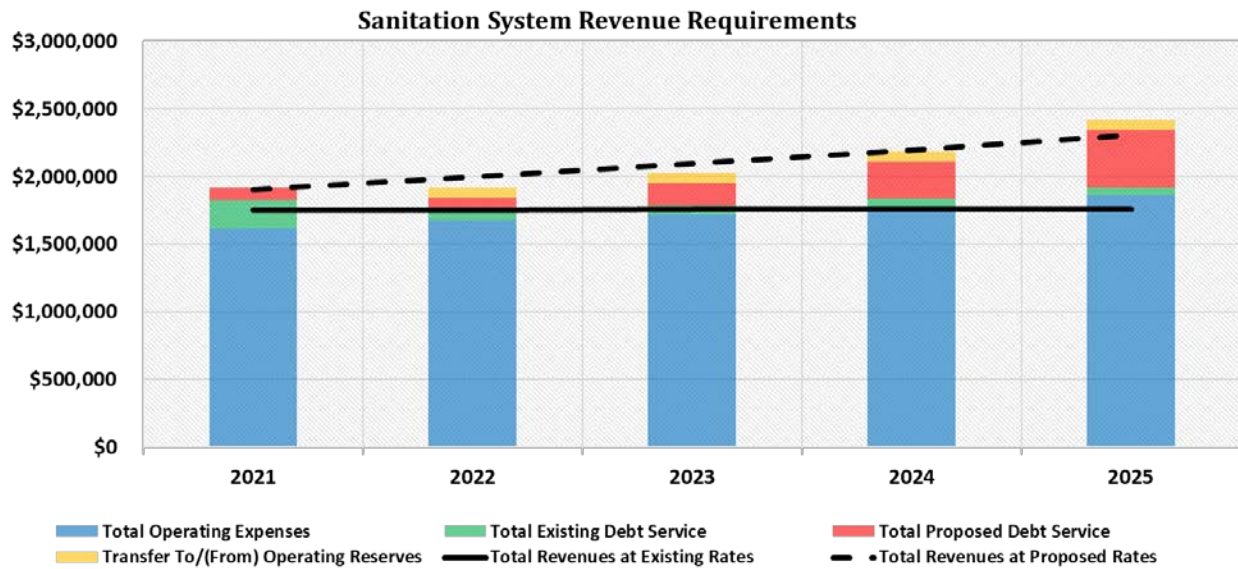
5. The Fiscal Year 2021 revenue requirements includes transfers to the Town's general fund of approximately \$536,000 to cover the System's allocated administrative overhead costs. Based on discussions with staff, these indirect cost transfers are projected to increase at three and one-half percent (3.5%) annually throughout the Study Period.
6. The sanitation system does not currently have any operating cash reserves. In order to meet day-to-day funding needs as well as to cover any unexpected fluctuations in expenditures. Based on discussions with Town staff, a minimum operation reserve fund balance equal to sixty (60) days operating revenues or approximately \$305,000 is targeted to be achieved during the Study Period.
7. Amounts associated with depreciation and amortization expenses have not been recognized in this analysis. While a component of the enterprise fund's income statement, these expenditures are non-cash in nature and are not considered as revenue requirements for rate-making purposes under a publicly owned utility system basis (publicly owned utilities' rates are based on a cash expenditure basis). Therefore, such depreciation amounts have not been recognized as revenue requirements to be recovered from rates for the Study Period. Summary of Net Revenue Requirements.
8. Approximately \$108,000 of sanitation labor costs are allocated to grounds maintenance based on the periodic assessment of certain employees to the ground's maintenance function.
9. It is assumed that the Town will receive approximately \$12,000 for each garbage truck replaced in the Study Period.

Based upon the assumptions used to prepare the System's financial forecast regarding operating expenses, capital requirements, general fund transfers, and rate increases, the projected net revenue requirements of the System that are estimated to be recovered from user rates are summarized on Figure 2.

**(Remainder of page intentionally left blank)**



**Figure 2**



As can be seen on Figure 2, the projected net revenue requirements estimated to be recovered from sanitation rates for the Study Period are anticipated to increase from \$1,847,378 in Fiscal Year 2021 to \$2,343,930 in Fiscal Year 2025, which is an increase of approximately 6.0 per year. The primary reasons for these increases are: i) projected inflationary increases in operating and vehicle replacement expenditures; and ii) increased disposal fees.

**ADEQUACY OF SANITATION RATE REVENUES**

Based on the forecast of revenues and revenue requirements for the sanitation system and the assumptions and considerations set forth herein with respect to the estimation of System net revenue requirements, the System-wide rate adjustments are projected as follows:

<b>Proposed Rate Adjustments</b>		
Fiscal Year	Percent	Amount
2021	9.0%	\$151,938
2022	5.0%	\$91,680
2023	5.0%	\$96,264
2024	5.0%	\$101,077
2025	5.0%	\$106,131

The proposed residential rates for Fiscal Year 2021 are summarized as follows:

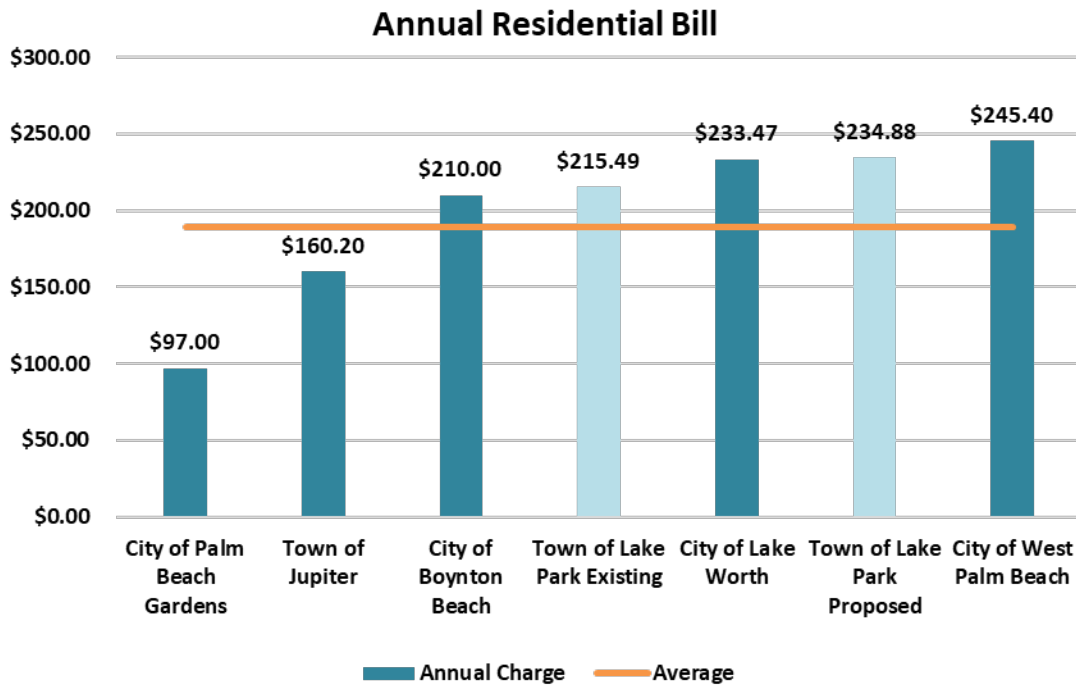
<b>Proposed Annual Rates for Residential Sanitation Service</b>	
Service Type	Existing Rate
Single-Family	\$234.88
Mobile Home	\$234.88
Multi-Family per Unit (less than 5 Units)	\$234.88
Multi-Family per Unit (greater than 4 Units)	\$159.00

The proposed sanitation rates for commercial dumpster service for Fiscal Year 2021 are as follows:

Proposed Commercial Dumpster Rates					
Cubic Yards	Once/Week	Twice/Week	Three Times/Week	Four Times/Week	Five Times/Week
0.5	\$20.21	\$40.43	\$60.64	\$80.86	\$100.50
2.0	\$80.99	\$161.77	\$242.64	\$323.54	\$404.43
3.0	\$121.33	\$242.64	\$363.97	\$485.29	\$606.62
4.0	\$161.77	\$323.54	\$485.29	\$647.09	\$808.86
6.0	\$242.64	\$485.29	\$727.93	\$970.63	\$1,213.24
8.0	\$323.54	\$647.09	\$970.63	\$1,294.18	\$1,617.72

### Sanitation Rate Comparisons

In order to provide additional information regarding the Town's proposed sanitation system rates, a comparison of the proposed single-family residential rates for the Town and those charged by other Palm Beach County solid waste systems was prepared. Reasons for differences among rates may be due to: i) the types and frequency of waste collection; ii) whether a system has automated collection service; iii) the fuel source for the vehicles; iv) disposal options and fees; v) density of the service area; and vi) the age of fleet and facilities.



(Remainder of page intentionally left blank)

## **CONCLUSIONS AND RECOMMENDATIONS**

Based on our studies, assumptions, considerations, and analyses as summarized herein, we are of the opinion that:

1. The Town's existing rates for sanitation service are not projected to be sufficient to recover the projected System costs and financial requirements for the Study Period.
2. In order to meet the projected revenue requirements of the System, it is recommended that the Town consider a rate increase of nine percent (9.0%) for Fiscal Year 2021 followed by adjustments of five percent (5%) annually for Fiscal Years 2022 through 2025.
3. Property value enhancement due to Town's provision of sanitation services due to elimination of health hazards, promotion of cleanliness and safety, and aesthetics should exceed the overall cost of the assessments. Therefore, the service represents a special benefit.
4. Proportionality of the assessments upon benefitted properties, as previously established in Resolution No. 20-07-14, has been preserved.
5. The Town should periodically review the adequacy of sanitation rates over the course of the Study Period to ensure revenue sufficiency in years subsequent to Fiscal Year 2021.

**(Remainder of page intentionally left blank)**

**TOWN OF LAKE PARK, FLORIDA**

**SANITATION RATE STUDY**

**LIST OF TABLES**

<u>Table No.</u>	<u>Description</u>
1	Projected Solid Waste System Revenue Requirements
2	Summary of Projected Escalation Factors
3	Projection of Solid Waste Operating Expenses
4	Capital Improvement Program Funding Plan

**Table 1**  
**Town of Lake Park, FL**  
**Sanitation Utility Rate Study**

**Projected Solid Waste System Revenue Requirements**

Line No.	Description	Projected Fiscal Year Ending September 30,					
		2020	2021	2022	2023	2024	2025
<b><u>Operating Expenses</u></b>							
1	Total Operating Expenses	\$1,672,909	\$1,615,196	\$1,674,006	\$1,719,374	\$1,774,690	\$1,856,925
<b><u>Debt Service Payments: [2]</u></b>							
<b><u>Existing Debt</u></b>							
2	Existing Debt	\$327,747	\$207,130	\$63,654	\$63,654	\$63,654	\$63,654
3	Total Existing Debt Service Payments	\$327,747	\$207,130	\$63,654	\$63,654	\$63,654	\$63,654
<b><u>Proposed Debt Service: [3]</u></b>							
4	Capital Lease 1	\$0	\$73,166	\$73,166	\$0	\$0	\$0
5	Capital Lease 2	0	0	0	139,747	139,747	139,747
6	Capital Lease 3	0	0	0	0	97,990	97,990
7	Capital Lease 4	0	0	0	0	0	152,848
8	Internal Loan - Carts	\$0	\$23,386	\$31,182	\$31,182	\$31,182	\$31,182
9	Capital Lease 5	0	0	0	0	0	0
10	Total Proposed Debt Service Payments	\$0	\$96,552	\$104,347	\$170,929	\$268,918	\$421,766
11	Total Debt Service Payments	\$327,747	\$303,682	\$168,001	\$234,583	\$332,572	\$485,420
<b><u>Other Revenue Requirements:</u></b>							
12	Transfer to General Fund [4]	\$260,000	\$0	\$0	\$0	\$0	\$0
13	Transfer to Capital / R&R Fund	0	0	0	0	0	0
14	Transfer To/(From) Operating Reserves [5]	(243,000)	0	76,285	76,285	76,285	76,285
15	Total Other Revenue Requirements	\$17,000	\$0	\$76,285	\$76,285	\$76,285	\$76,285
16	Gross Revenue Requirements	\$2,017,656	\$1,918,878	\$1,918,292	\$2,030,241	\$2,183,547	\$2,418,630
<b><u>Less Income and Funds from Other Sources:</u></b>							
17	Other Operating Revenue [6]	\$71,500	\$71,500	\$71,500	\$71,500	\$71,500	\$71,500
18	Interest Income [7]	7,200	0	800	1,600	2,400	3,200
19	Total Other Revenues	\$78,700	\$71,500	\$72,300	\$73,100	\$73,900	\$74,700
20	Net Revenue Requirements	\$1,938,956	\$1,847,378	\$1,845,992	\$1,957,141	\$2,109,647	\$2,343,930
<b><u>Revenue from Solid Waste Rates:</u></b>							
21	Collection Revenue from Existing Rates [8]	\$1,682,200	\$1,682,200	\$1,682,200	\$1,682,200	\$1,682,200	\$1,682,200
22	Prior Year Rate Adjustments	0	0	151,398	243,078	339,342	440,419
23	Collection Revenue Before Current Year Adjustments	\$1,682,200	\$1,682,200	\$1,833,598	\$1,925,278	\$2,021,542	\$2,122,619
24	Revenue Surplus / (Deficiency)	(256,756)	(165,178)	(12,394)	(31,863)	(88,105)	(221,311)
25	Percent of Current Year Rate Revenue	-15.26%	-9.82%	-0.68%	-1.66%	-4.36%	-10.43%
<b><u>Current Year Rate Adjustments</u></b>							
26	Current Year Rate Adjustment	0.00%	9.00%	5.00%	5.00%	5.00%	5.00%
27	Effective Month	Oct.	Oct.	Oct	Oct	Oct.	Oct.
28	% of Current Year Effective	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
29	Total Revenue from Current Year Adjustments	\$0	\$151,398	\$91,680	\$96,264	\$101,077	\$106,131
30	Collection Revenue After Rate Adjustments	\$1,682,200	\$1,833,598	\$1,925,278	\$2,021,542	\$2,122,619	\$2,228,750
31	<b>Total Revenue After Rate Adjustments</b>	\$1,682,200	\$1,833,598	\$1,925,278	\$2,021,542	\$2,122,619	\$2,228,750
32	<b>Revenue Surplus/(Deficiency)</b>	(\$256,756)	(\$13,780)	\$79,286	\$64,401	\$12,972	(\$115,180)
33	<b>Percent of Rate Revenues</b>	-15.26%	-0.75%	4.12%	3.19%	0.61%	-5.17%

**Table 2**  
**Town of Lake Park, FL**  
**Sanitation Utility Rate Study**

**Summary of Projected Escalation Factors**

Line No.	Description	Escalation Reference	Fiscal Year Ending September 30,				
			2021	2022	2023	2024	2025
<b>Expense and Revenue Factors</b>							
1	General Inflation (CPI) [1]	Inflation	1.0240	1.0260	1.0260	1.0260	1.0260
2	Labor and Benefits [2]	Labor	1.0300	1.0350	1.0350	1.0350	1.0350
3	Contractual Services	Contractual	1.0240	1.0240	1.0240	1.0240	1.0240
4	Health Insurance [2]	Health-Ins	1.0500	1.0800	1.0800	1.0800	1.0800
5	Repair and Maintenance [2]	Repair	1.0500	1.0500	1.0500	1.0500	1.0500
6	Constant	Constant	1.0000	1.0000	1.0000	1.0000	1.0000
7	Eliminate	Eliminate	0.0000	0.0000	0.0000	0.0000	0.0000
8	Tipping Fees	Disposal	1.0300	1.0300	1.0300	1.0300	1.0300
<b>Cumulative Capital Factors [3]</b>							
9	Inflation	Inflation	1.0000	1.0260	1.0530	1.0800	1.1080
10	No Assumed Escalation	None	1.0000	1.0000	1.0000	1.0000	1.0000
11	Capital Outlay	Outlay	1.0000	1.0350	1.0710	1.1080	1.1470
12	ENR Index	ENR	1.0000	1.0300	1.0610	1.0930	1.1260
13	Marginal Increase	Marginal	1.0000	1.0100	1.0200	1.0300	1.0400
14	Vehicles [2]	Vehicle	1.0000	1.0800	1.1660	1.2590	1.3600

Footnotes:

- [1] Estimated based on projections from "Budget and Economic Outlook: 2018 to 2028", published by the Congressional Budget Office in January 2018.
- [2] Based on discussions with City staff.
- [3] Capital escalation factors are not assumed for Fiscal Year 2020 as the provided capital plan was developed near the start of Fiscal Year 2020.

**Table 3**  
**Town of Lake Park, FL**  
**Sanitation Utility Rate Study**

**Projection of Solid Waste Operating Expenses**

Line No.	Description	Adjusted 2020	Escalation Reference	Fiscal Year Ending September 30.				
				2021	2026	2027	2028	2029
<b>Solid Waste Utility Operating Expenses</b>								
<u>Personnel Services:</u>								
1	Regular Salaries and Wages Salaries	\$371,963	Labor	\$384,683	\$456,883	\$472,874	\$489,424	\$506,554
2	Overtime	10,000	Labor	11,500	13,658	14,136	14,631	15,143
3	Reclassified Wages/Allocated to Parks for Maintenance Services	125,226	Labor	(108,000)	(160,278)	(165,888)	(171,694)	(177,703)
4	Opt Out Payment	4,728	Labor	4,728	5,615	5,812	6,015	6,226
5	Payroll Taxes Employer FICA and Medicare	28,059	Labor	30,311	36,000	37,260	38,564	39,914
6	Retirement Contributions	26,222	Labor	25,767	30,603	31,674	32,783	33,930
7	Retirement Contributions Town Match	10,758	Labor	11,493	13,650	14,128	14,622	15,134
8	Health Insurance	86,291	Health-Ins	105,775	155,418	167,852	181,280	195,782
9	Health Insurance - Dental and Vision	3,924	Health-Ins	3,576	5,254	5,675	6,129	6,619
10	Life Insurance	1,014	Health-Ins	1,047	1,538	1,661	1,794	1,938
11	Disability Insurance	2,878	Labor	3,439	4,084	4,227	4,375	4,529
12	Workers Compensation	20,228	Labor	20,228	24,025	24,865	25,736	26,636
13	<b>Total Personnel Services</b>	<b>\$691,291</b>		<b>\$494,547</b>	<b>\$586,452</b>	<b>\$614,277</b>	<b>\$643,660</b>	<b>\$674,702</b>
<u>Operating Expenses:</u>								
14	Disposal Services- Garbage	\$234,000	Disposal	\$241,020	\$279,408	\$287,790	\$296,424	\$305,317
15	Administrative Fee	145,000	Eliminate	0	0	0	0	0
16	Contract Services	26,080	Labor	26,862	31,904	33,021	34,176	35,373
17	Travel and Per Diem - Travel	500	Inflation	512	581	595	609	624
18	Telephone	2,400	Inflation	2,458	2,789	2,856	2,924	2,994
19	Freight and Postage Services - Postage	1,500	Inflation	1,536	1,743	1,785	1,828	1,871
20	Rentals	7,400	Inflation	7,578	8,598	8,805	9,016	9,233
21	Capital Leases	5,432	Constant	5,432	5,432	5,432	5,432	5,432
22	Utility Services - Recycling	0	Disposal	0	0	0	0	0
23	Insurance - ISF: Risk Management	26,514	Inflation	27,150	30,808	31,547	32,305	33,080
24	Repair and Maintenance Services - ISF: Fleet Maintenance	82,192	Repair	86,302	110,145	115,652	121,435	127,507
25	Repair and Maintenance Services - Parts and Supplies	89,200	Repair	93,660	119,537	125,513	131,789	138,378
26	Repair and Maintenance Services - Repairs and Maintenance	0	Repair	0	0	0	0	0
27	Printing and Binding	0	Inflation	0	0	0	0	0
28	Advertising	4,000	Inflation	4,096	4,648	4,759	4,874	4,991
29	Uniforms	4,400	Inflation	4,506	5,113	5,235	5,361	5,490
30	Office Supplies - Office Supplies	300	Inflation	307	349	357	366	374
31	Operating Supplies	4,200	Repair	4,410	5,628	5,910	6,205	6,516
32	Fuel	51,000	Inflation	52,224	59,260	60,682	62,138	63,630
33	Small Tools	2,500	Inflation	2,560	2,905	2,975	3,046	3,119
34	Containers	35,000	Inflation	35,840	49,769	50,963	52,186	53,439
35	Training	0	Inflation	0	0	0	0	0
36	<b>Total Operating Expenses</b>	<b>\$721,618</b>		<b>\$596,452</b>	<b>\$718,616</b>	<b>\$743,878</b>	<b>\$770,114</b>	<b>\$797,366</b>
<u>Other Operating Income/ Expenses:</u>								
37	Indirect Cost Allocation - General Fund Expense	\$260,000	Labor	\$536,197	636,834	659,123	682,192	706,069
	Other Income/Vehicle Salvage			(\$12,000)				
38	<b>Total Other Nonoperating Uses - Proprietary Funds</b>	<b>\$260,000</b>		<b>\$524,197</b>	<b>\$636,834</b>	<b>\$659,123</b>	<b>\$682,192</b>	<b>\$706,069</b>
39	<b>Total Sanitation Fund</b>	<b>\$1,672,909</b>		<b>\$1,615,196</b>	<b>\$1,941,901</b>	<b>\$2,017,277</b>	<b>\$2,095,966</b>	<b>\$2,178,137</b>
40	<b>Total Adjusted Solid Waste Fund</b>	<b>\$1,672,909</b>		<b>\$1,615,196</b>	<b>\$1,941,901</b>	<b>\$2,017,277</b>	<b>\$2,095,966</b>	<b>\$2,178,137</b>

**Table 4**  
**Town of Lake Park, FL**  
**Sanitation Utility Rate Study**

**Capital Improvement Program Funding Plan [1]**

Line No.	Description	Escalation Reference	Funding Source	Adjusted 2020	Fiscal Year Ending September 30,					10-Year Total
					2021	2022	2023	2028	2029	
<b>CAPITAL IMPROVEMENT PLAN</b>										
1	Dumpster Enclosure	Vehicle	Operating	\$5,000	\$0	\$0	\$0	\$0	\$0	\$5,000
2	Clam Shell	Vehicle	Senior1	0	140,000	0	0	0	0	140,000
3	Clam Shell	Vehicle	Sub.2	0	0	0	0	0	0	170,000
4	Front End Loader	Vehicle	Senior2	0	0	320,000	0	0	0	320,000
5	Front End Loader	Vehicle	Senior4	0	0	0	0	0	0	350,000
6	Automated Side Loader	Vehicle	Senior2	0	0	320,000	0	0	0	320,000
7	Automated Side Loader	Vehicle	Senior4	0	0	0	0	0	0	350,000
8	Rear Loader	Vehicle	Senior3	0	0	0	187,500	0	0	187,500
9	Carts	Vehicle	Sub.1	0	0	135,000	0	0	0	135,000
10	Additional Capital Replacements	Vehicle	Rates	0	0	0	0	0	0	0
11		ENR	Rates	0	0	0	0	0	0	0
12		Vehicle	Rates	0	0	0	0	(41,500)	(81,500)	(128,500)
13	Additional Capital Replacements (Split Funding) [2]	Vehicle	Operating	0	0	0	0	41,500	81,500	128,500
						0				
	Subtotal Capital Improvement Plan			\$5,000	\$140,000	\$775,000	\$187,500	\$0	\$0	\$2,290,700
	Additional Capital Outlay	None	Rates	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	<b>TOTAL CAPITAL IMPROVEMENT PLAN</b>			<u>\$5,000</u>	<u>\$140,000</u>	<u>\$775,000</u>	<u>\$187,500</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,290,700</u>



# **Ordinance on Second Reading**

# TAB 16



**Town of Lake Park Town Commission**

**Agenda Request Form**

**Meeting Date:** August 5, 2020      **Agenda Item No.** \_\_\_\_\_

**Agenda Title:** AN ORDINANCE OF THE TOWN COMMISSION OF THE TOWN OF LAKE PARK, FLORIDA REZONING EIGHT PROPERTIES LOCATED ON THE EAST SIDE OF PROSPERITY FARMS ROAD, LEGALLY DESCRIBED IN EXHIBIT "A", AND SHOWN IN FIGURE 1 FROM R-3 RESIDENCE TO C-IB NEIGHBORHOOD COMMERCIAL AND AMENDING THE OFFICIAL ZONING MAP TO REFLECT THE REZONING; AND PROVIDING FOR AN EFFECTIVE DATE.

- SPECIAL PRESENTATION/REPORTS
- BOARD APPOINTMENT
- PUBLIC HEARING ORDINANCE ON 2<sup>nd</sup> READING
- NEW BUSINESS
- OTHER: \_\_\_\_\_

Approved by <sup>ACTING</sup> Town Manager *Paul M. Kline* Date: 7/29/2020

Karen Golonka (Planner) for Nadia Di Tommaso (Community Development Director) *ND*

<b>Originating Department:</b>  Community Development	Costs: \$ Legal Review and Legal Ad Funding Source: Acct. # 108 & #500-34910 <input type="checkbox"/> Finance <i>K. Cariso</i>	<b>Attachments:</b> <ul style="list-style-type: none"> <li>• Staff Report</li> <li>• Ordinance 06-2020</li> <li>• Legal Notice</li> <li>• Certified Letter</li> </ul>
<b>Advertised:</b> Date: <u>6/21/20 and 07/26/20</u> Paper: <u>Palm Beach Post</u> <input type="checkbox"/> Not Required	All parties that have an interest in this agenda item must be notified of meeting date and time. The following box must be filled out to be on the agenda.	Yes I have notified everyone <u>KJG</u> or Not applicable in this case _____ <b>Please initial one.</b>

**Summary Explanation/Background:**

July 1, 2020 Meeting – Approved by the Town Commission on 1<sup>st</sup> reading.

This is a staff initiated application to **rezone eight (8) parcels located along the east side of Prosperity Farms Road, from the R-3 Residence District to the newly developed C-1B Neighborhood Commercial District.** The rezoning will bring the properties into conformance with their adopted Comprehensive Plan Land Use designation of Commercial, which is a statutory requirement.

The C-1B District was specifically developed in response to concerns that the Town did not have a viable “neighborhood scale” commercial district to apply to this subject area, and others, where intense commercial might negatively impact nearby residences. The District was adopted by The Town Commission by Ordinance 12-2019, on November 20, 2019. The new regulations are contained in exhibit #4.

Total land area for all parcels is 2.367 acres, with seven (7) lots already developed and one (1) lot remaining vacant.

**Rezoning to the new C-1B District will provide advantages to both the properties that will be rezoned AND the residential homes that abut to the east.**

The C-1B District allows for a greater variety of uses than the current R-3 zoning, such as personal services and retail shops. The uses should make it easier for current owners to lease their properties or sell, thus helping the Lake Park economy. The existing uses, primarily office, which have not been a problem to the residences, are permitted uses and can continue.

For the adjacent residences, noise impacts will be mitigated by the district requirement that restricts hours of business operation to 6 am through 11 pm. The allowable uses must also be located within an enclosed building, and no outdoor storage is permitted. The C-1B district also affords greater protection, should the properties redevelop in the future. This includes requiring greater setbacks than the current regulations do, for lots adjacent to the homes, and limiting maximum lot size.

**The Planning and Zoning Board considered the application at a March 2, 2020 public hearing and unanimously recommended approval to the Town Commission.** No public comments were received at the meeting.

**RECOMMENDED MOTION: I MOVE TO ADOPT THE REZONING ORDINANCE 06-2020.**



**TOWN LAKE OF PARK**  
**Town Commission**  
**Meeting Date: July 1, 2020 (first reading)**  
**August 5, 2020 (second reading)**

**REQUEST: TOWN INITIATED REQUEST TO REZONE EIGHT (8) PARCELS, LOCATED ALONG THE EAST SIDE OF PROSPERITY FARMS ROAD, FROM THE R-3 RESIDENCE DISTRICT TO THE NEWLY DEVELOPED C-1B NEIGHBORHOOD BUSINESS DISTRICT.**

**DESCRIPTION**

Total land area for all parcels is 2.367 acres, with seven (7) lots already developed and one (1) lot remaining vacant. This is a staff initiated application to rezone eight (8) parcels located along the east side of Prosperity Farms Road, from the R-3 Residence District to the newly developed C-1B Neighborhood Commercial District. The rezoning will bring the properties into conformance with their adopted comprehensive plan land use designation of commercial, which is a statutory requirement.

Rezoning to the C-1B District will allow greater flexibility of uses for the properties, and at the same time afford greater protection to the adjacent single family homes through stricter regulations for of hours of operation and outdoor use, as well as limiting the size and ontensity of commercial uses. The District was adopted by The Town Commission by Ordinance 12-2019, on November 20, 2019. The new regulations are contained in exhibit #4 of this report.

**PLANNING AND ZONING BOARD RECOMMENDATION:**

The Board considered the rezoning at a March 2, 2020 public hearing and **unanimously recommended approval** to the Town Commission to rezone the eight parcels along the east side of Prosperity Farms Road from R-3 to C-1b Neighborhood Commercial

**RECOMMENDATION TO THE TOWN COMMISSION:**

**APPROVED ON FIRST READING AT THE JULY 1, 2020 MEETING.**

**BACKGROUND INFORMATION:**

Applicant(s): Town of Lake Park

**Parcel Information**

Owner: See Exhibit 5

Address : 1509, 1511,1525,1535,1541,1547, and 1605 Prosperity Farms Rd., plus one vacant parcel mid-block

Lot Sizes: See Exhibit 5

Parcel Control Numbers: See Exhibit 5 for parcel control numbers for each parcel

Existing Zoning : R-3 Multiple Family District  
Proposed Zoning C-1B Neighborhood Business District

Existing Land Use: Commercial  
Current existing uses: Primarily office buildings

**Adjacent Zoning**

North: C-1 Business/Northlake Boulevard Overlay Zone(NBOZ)  
South: C-1 Business  
East: R-1 Residence District  
West: C-1 Business

**Adjacent Land Uses**

North: Commercial  
South: Commercial  
East: Single Family Residential  
West: Commercial

**Legal Advertising**

*A legal display ad was published in the Palm Beach Post on June 21, 2020 in accordance with Town code, certified notices were also mailed to the property owners whose property is the subject of the rezoning.*

**Background Information**

Last August 2019, Community Development Staff brought forward a Town-initiated request to rezone the eight parcels along Prosperity Farms Road from R-3 Residence to the separate (existing) C-1 Business District classification, consistent with the assigned Future Land Use of Commercial.

The Planning and Zoning Board expressed concerns regarding potential impacts of some of the intense uses that were permitted in the C-1 District and took no action on the request. Instead, the Board asked staff to look into creating a new commercial district that would be less intense and more compatible with the adjacent residential homes to the east. Thus, **the C-1B Neighborhood Commercial District was developed and subsequently recommended for approval by the Planning and Zoning Board at their October 7, 2019 meeting. The C-1B District was adopted by the Town Commission on November 20, 2019 by Ordinance No. 12-2019.** It was adopted with the intent of applying the new district to this area along Prosperity Farms Road. The new C-1B regulations are included as Exhibit 4 in this report.

**This new C-1B District, which would allow for small scale, neighborhood type commercial uses that would have minimal impacts on adjoining residential areas, is now proposed to be applied to the eight parcels along the east side of Prosperity Farms Road. Once adopted, this will render the complete zoning district in compliance with the existing future land use designation of Commercial.**

**VIEW OF SOME OF THE PROPERTIES CONSIDERED FOR REZONING- EXISTING OFFICE USES. SINGLE FAMILY HOMES SHOWN TO THE EAST**



## EXHIBIT 1

### LOCATION MAP OF THE EIGHT (8) PROPERTIES TO BE REZONED



**Note:** Exhibits 2 through 5 are located following the Analysis section. Exhibits 2 and 3, are maps of the current the zoning and land use, respectively. Exhibit 4 identifies the uses permitted in the existing and proposed zoning districts. Exhibit 5 contains ownership and parcel information



## **ANALYSIS**

### **1. CONSISTENCY WITH STATE STATUTE**

**The proposed rezoning is consistent with State Statute.**

*Florida Statute 163.3194 (1) (b) requires that "All land development regulations enacted or amended shall be consistent with the adopted comprehensive plan, or element or portion thereof, and any land development regulations existing at the time of adoption which are not consistent with the adopted comprehensive plan, or element or portion thereof, shall be amended so as to be consistent."*

*These eight (8) lots need to be brought into conformance with the Comprehensive Plan land use designation, as required by the above statute. The rezoning to a commercial district had always been intended, but had not occurred. Further, these are also the only remaining parcels in the R-3 District in the Town.*

### **2. CONSISTENCY WITH THE COMPREHENSIVE PLAN**

**A) The proposed rezoning is consistent with Policy 1.1 of the Future Land Use Element of the Town's Comprehensive Plan, which reads (in part):**

**Policy 1.1: Land Development Regulations shall be amended as necessary to contain specific and detailed provisions required to implement the adopted Comprehensive Plan and which as a minimum:**

- b. Regulate the use and intensity of land development consistent with this element to ensure the compatibility of adjacent land uses.**
- k. Eliminate and/or reduce use of land inconsistent with the Future Land Use Map and the community's character.**

*Rezoning the subject parcels from R-3 Residence District to C-1B Neighborhood Business District would bring them into conformance with their adopted Future Land Use designation of Commercial, as shown on the Future Land Use Map of the Town's Comprehensive Plan. (see Exhibit 3)*

*Despite having a residential designation, there are no dwelling units on the parcels. There is a mix of one story commercial and office uses. Thus, these existing uses are consistent with the Comprehensive Plan's definition of commercial which reads:*

**Commercial** – *Lands and structures devoted primarily to the delivery, sale or otherwise transfer of goods or services on a retail basis, with a maximum F.A.R. of 2.0. This category also includes personal and professional services. Public schools are a permitted use within this land use designation.*

**B) The proposed rezoning is consistent with Policy 1.5 of the Future Land Use Element of the Town's Comprehensive Plan which reads:**

**Policy 1.5 The Town shall encourage development and redevelopment activities which will substantially increase the tax base while minimizing negative impacts on natural and historic resources, existing neighborhoods and development and adopted Level of Service Standards.**

*The inconsistency between the zoning and land use has become problematic, as properties are sold and new uses are requested. The limited commercial uses allowed in R-3 often make it difficult for owners to find tenants. Thus, some buildings are vacant and non-productive. While, by State Statute, the underlying Land Use of commercial prevails, without a specific commercial zoning district to implement the designation, there is uncertainty as to which zoning development standards to apply for certain uses (and so on). The rezoning will resolve this problem and hopefully enable the occupancy of vacant buildings and an improved tax base from this area if it is more productive.*

*The C-1B district only allows small-scale development and low intensity commercial uses. Therefore, any redevelopment of existing parcels is not anticipated to impact Level of Service Standards, or create any nuisances to adjacent residential properties.*

**C) The proposed rezoning is consistent with Objective 5 of the Future Land Use Element of the Town's Comprehensive Plan, which reads:**

**Objective 5. As a substantially built-out community in an urbanized area, the Town shall promote redevelopment and infill development in a manner that is considerate to existing neighborhoods and uses, the built and natural environments, and neighboring jurisdictions.**

*Rezoning to C-1B will provide for redevelopment compatible with the existing residential neighborhood to the east, as the district was specifically developed for this purpose.*

*Last August 2019, staff brought forward a request to rezone the properties to the C-1 Business District. However, the Planning and Zoning Board expressed concerns regarding potential impacts of some of the intense uses that were permitted in that district. Thus, the C-1B Neighborhood Commercial District was developed and subsequently adopted, to allow small scale, neighborhood type commercial uses that would have minimal impacts on adjoining residential areas. The C-1B Neighborhood District zoning would also be compatible and consistent with the surrounding C-1 commercial district, which is located across the street (to the west) from the subject parcels (see Exhibit 2).*

**CONCLUSION: REZONING TO THE NEW C-1B DISTRICT WILL PROVIDE ADVANTAGES TO BOTH THE PROPERTIES THAT WILL BE REZONED AND THE RESIDENTIAL HOMES THAT ABUT TO THE EAST.**

*The C-1B District allows for a greater variety of uses than the current R-3 zoning, such as personal services and retail shops. The uses should make it easier for current owners to lease their properties or sell, thus helping the Lake Park economy. (See Exhibit 4 for a list of all permitted uses) The existing uses, primarily office, which have not been a problem to the residences, are permitted uses and can continue.*

*There are no existing (and legal) permitted uses that will be impacted by the rezoning. The increased rear setback will cause only one lot to go from conforming to non-conforming. (Another lot, at 1605 Prosperity Farms Road is already nonconforming, with a .5 foot rear setback.)*

*For the adjacent residences, noise impacts will be mitigated by the district requirement that restricts hours of business operation to 6 am through 11 pm. The allowable uses must also be located within an enclosed building, and no outdoor storage is permitted.*

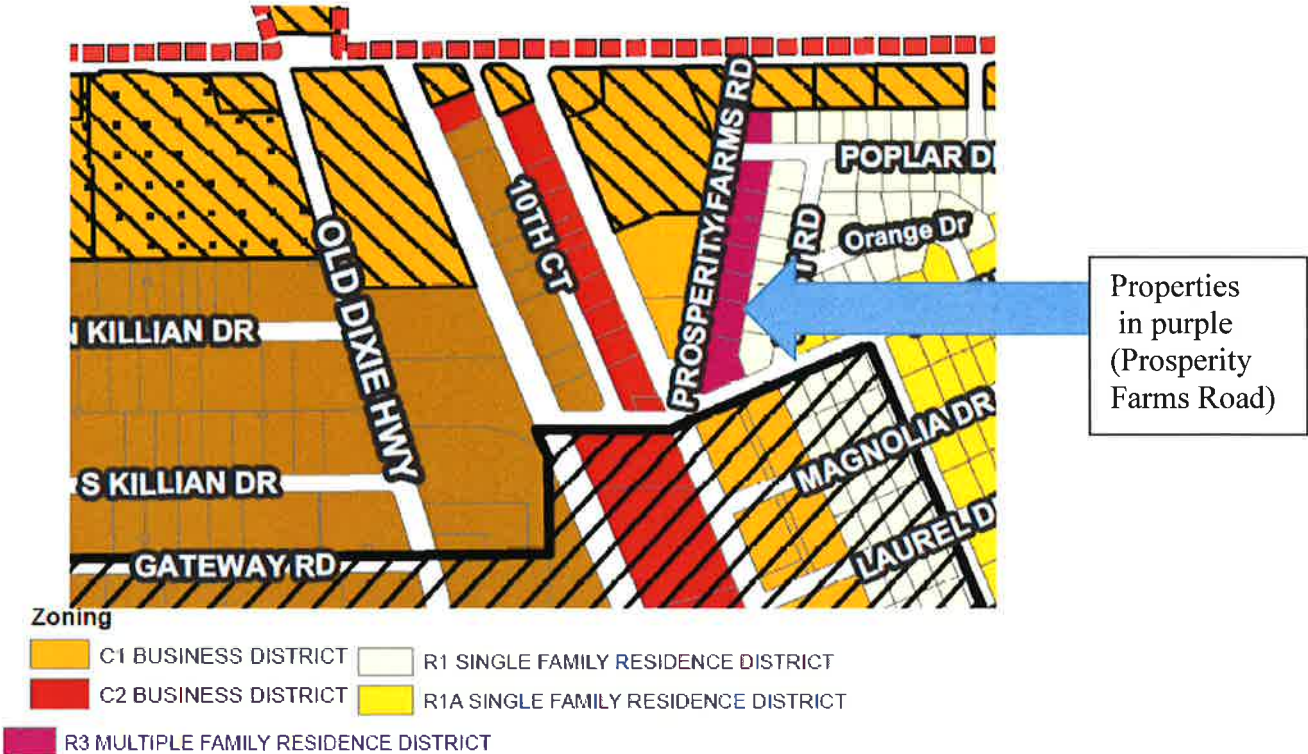
*The C-1B district also affords greater protection, should the properties redevelop in the future. The building setbacks for structures abutting the residential district have been increased from seven (7) feet to fifteen (15) feet. Intensity of redevelopment will be limited by the maximum lot size that has been established.*

---

**STAFF RECOMMENDATION: APPROVAL.**

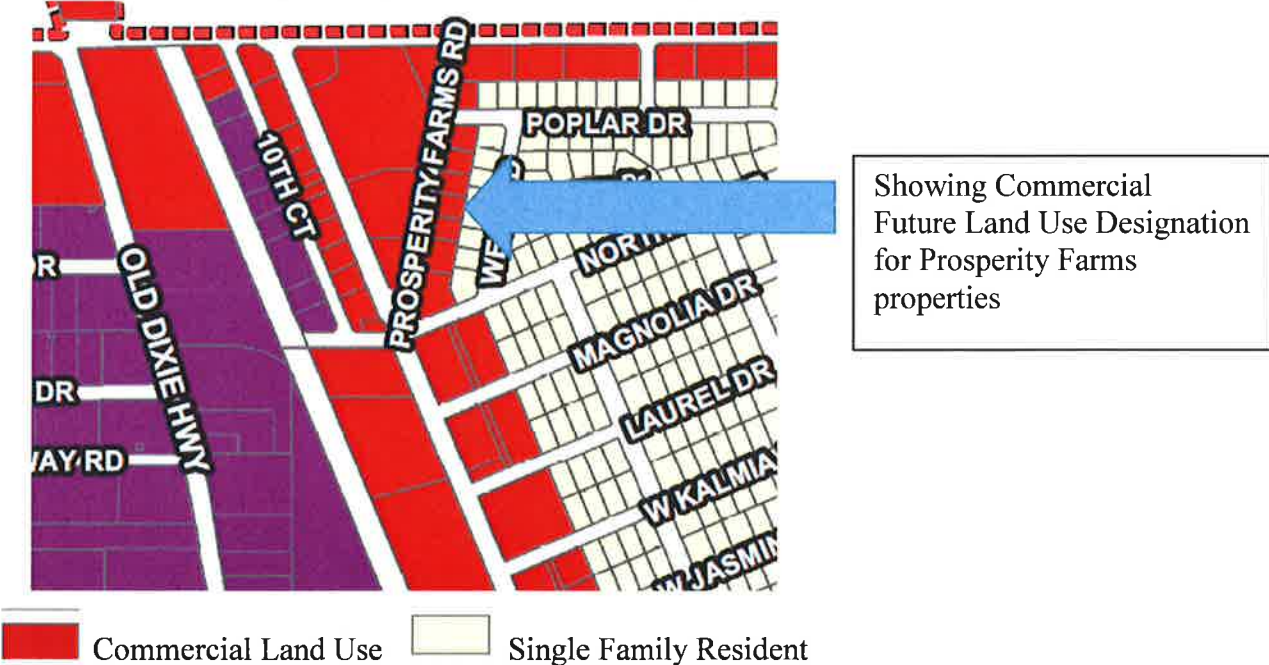
**EXHIBIT 2**

**TOWN OF LAKE PARK ZONING MAP: Existing Zoning of Parcels R-3**



**EXHIBIT 3**

**TOWN OF LAKE PARK FUTURE LAND USE MAP**



## EXHIBIT 4

### ZONING DISTRICT REGULATIONS: C1B and R-3

#### Proposed rezoning to: C-1B Neighborhood Commercial District

##### Section 78-69 C-1B Neighborhood Commercial District

*Purpose. To allow small scale commercial uses that serve the immediate residential districts and which have minimal adverse impacts on adjacent residential districts. It is intended that the uses shall be primarily pedestrian oriented and scaled accordingly.*

(1) Permitted uses:

- a. Animal grooming establishments;
- b. Bakeries, the products of which are sold but are not produced on site;
- c. Personal Services such as barbershops, beauty shops, nail salons, estheticians, and beauty spas. Massage and tattoo parlors or studios shall not be permitted as primary uses.
- d. Offices – business and professional;
- e. Retail Shops;
- f. Instructional studios, including but not limited to tutoring, yoga, exercise, painting, photography, voice, martial arts and other similar instructional studio uses which are deemed appropriate by the Community Development Director.
- g. Banks;
- h. Medical or Dental clinics or offices, or lab;
- i. Repair of small appliances, electronic or business equipment;
- j. Ice cream store, neighborhood café, or deli;

(2) *Uses permitted as special exceptions:*

- a. Uses similar to the special exception and permitted uses herein, but not explicitly listed, provided that the Community Development Department makes a recommendation to the Planning & Zoning Board and the Town Commission. The Town Commission will make a final determination on whether the use is compatible in character and scale with the uses listed in this district and the surrounding residential areas.

(3) *Building height limit.* No building or structure shall exceed 2 stories or 30 feet in height. The minimum height of any building or structure shall not be less than 13 feet.

(4) *Maximum lot size shall not exceed .5 acre*

**(5) Setback regulations**

Front yard. There shall be a front yard setback of not less than 25 feet, measured from the street right-of-way line adjacent to the property, to the front wall of a building or structure.

Side yard. There shall be a side yard setback of not less than 10 feet, unless the property to be developed abuts a residential district, in which case the setback shall be 15 feet.

Provided however, that on a corner lot, there shall be a side yard setback of not less than 15 feet from the property line of the intersecting street.

Rear Yard. There shall be a rear yard setback of not less than fifteen feet measured from the rear lot line to the rear wall of the building. This setback shall also apply to any active outdoor uses such as playgrounds or play areas associated with the primary business.

**(6) Special Regulations**

- a. All primary uses shall be operated entirely within enclosed buildings
- b. Accessory uses are limited to thirty (30) percent of the gross floor area of the principal structure
- c. No outdoor storage of items, products, or materials of any kind is permitted
- d. Hours of operation are limited to 6am to 11pm

**(7) Off-street parking.** See section 78-142 for the off-street parking requirements

---

## **Current Zoning District**

### **Sec. 78-67. - R-3 residence district**

**Within R-3 residence districts, the following regulations shall apply:**

**(1) Uses permitted.** Within any R-3 residence district, no building, structure or land shall be used and no building shall be erected, structurally altered or enlarged unless otherwise permitted by these regulations, except for the following uses:

a. Accessory buildings must comply with the requirements of this Code and the Florida Building Code as amended. Accessory uses must be located on the same lot or parcel of land as the principal structure and the accessory use must be customarily incidental to the principal use. Permissible accessory uses for commercial and other permitted uses shall be determined in the site planning process or administratively on a case-by-case basis and subject to these standards.

1. A private garage for use by occupants of the principal building shall be considered an accessory use.

b. Schools, except correctional institutions.

c. Playgrounds operated in conjunction with schools or owned and operated by the town.

d. Civic buildings, libraries.

e. Nursing or convalescent homes.

f. Nursery schools or kindergartens.

g. Physicians or dentists, subject to the following provisions:

1. Physicians or dentists may operate an office in conjunction with a home so long as the front of such office shall be kept as a home.

2. No more than 35 percent of the ground floor area shall be used as an office.
3. Not more than one physician or dentist may practice, and there shall not be more than three persons employed.
4. Office hours shall be limited to daylight hours.

h. Banks, office buildings, medical clinics, dental offices.

i. No living quarters shall be permitted in any professional or commercial structure or upon a lot or parcel upon which a professional or commercial structure is situated.

j. Group home is a permitted use provided that any group home is not located within a radius of 1,000 feet of another existing group home.

(2) *Building height limit.* For residences, no building or structure shall exceed two stories or 30 feet in height. For all other uses permitted in R-3 residence districts, no building or structure shall exceed two stories or 30 feet in height and the minimum height shall not be less than 13 feet.

(3) *Building site area.* The minimum width and depth of any professional or commercial building shall be 25 feet.

(4) *Minimum floor area.*

a. The minimum required first floor area of a single-family dwelling structure shall be 1,000 square feet, exclusive of carport, garage, unenclosed terraces and porches. Where a carport or garage is attached to the structure, the required first floor area may be reduced to 900 square feet. The minimum required first floor area of a two-family dwelling structure (duplex) shall be 1,400 square feet, exclusive of carports, garages, unenclosed terraces and porches, with each unit comprising 700 square feet. A one-bedroom unit of not less than 580 square feet may be built together with a second unit of not less than 820 square feet.

b. Where a utility or storage room is constructed and finished in a like manner and type of construction as the balance of the living quarters and has direct entrance and access to the living quarters, such utility room may be considered a part of the living quarters.

c. For structures of more than two dwelling units, the minimum required floor area shall have an additional 580 square feet for each dwelling unit in excess of two, added to the base of 1,400 square feet.

(5) *Yard regulations.*

a. *Front yard.* There shall be a front yard of not less than 25 feet measured from the street or highway or highway right-of-way line to the front wall of the building or structure.

b. *Side yard.* There shall be a side yard on each side of the principal building having a width of not less than ten feet. On a corner lot, there shall be a side yard of not less than 15 feet from the property line of the intersecting street.

c. *Rear yard.* There shall be a rear yard of not less than seven feet measured from the rear lot line to the rear wall of the building, or to a permanent part of the building which projects from or over the rear wall of the building, if such projection occurs.

## EXHIBIT 5

### **PROPERTIES TO BE REZONED**

**Location 1509 PROSPERITY FARMS RD**

Parcel size: 0.5121 ACRES

Parcel No. 36434220031290090

Subdivision LAKE PARK ADD NO 1 IN PB 25 PGS 222 & 223

Book 26975 Page 218

Owner: LABORATORY SUITES LLC

Use Type 1900 - PROF OFFICES

**Location 1511 PROSPERITY FARMS RD 100**

Parcel size: 0.3526 ACRES

Parcel No. 36434220031290101

Subdivision LAKE PARK ADD NO 1 IN PB 25 PGS 222 & 223

Book 30139 Page 703

Owner: 1511 PROSPERITY LLC

Use Type 1700 - OFFICE ONE STORY  
3996

**Location 1525 PROSPERITY FARMS RD**

Parcel size 0.2480 ACRES

Parcel No. 36434220031290120

Subdivision LAKE PARK ADD NO 1 IN PB 25 PGS 222 & 223

Book 11992 Page 905

Owner YAJALAJUA CORP

Use Type 1700 - OFFICE ONE STORY

**Location vacant- PROSPERITY FARMS RD**

Parcel size: 0.2480 ACRES

Parcel No. 36434220031290130

Subdivision LAKE PARK ADD NO 1 IN PB 25 PGS 222 & 223

Book 15775 Page 1976

Owner YAJALAJUA CORP

Use Type 1000 - VACANT COMMERCIAL



**Location 1535 PROSPERITY FARMS RD**

Parcel size 0.2480 ACRES

Parcel No. 36434220031290140

Subdivision LAKE PARK ADD NO 1 IN PB 25 PGS 222 & 223

Book 26483

Page 508

Owner DJ&G REALTY HOLDING COMPANY LLC

Use Type 1900 - PROF OFFICES

**Location 1541 PROSPERITY FARMS RD**

Parcel size .02480 ACRES

Parcel No. 36434220031290150

Subdivision LAKE PARK ADD NO 1 IN PB 25 PGS 222 & 223

Book 22133

Page 1762

Owner MCFARLIN USRY DC PA

Use Type 1900 - PROF OFFICES

**Location 1547 PROSPERITY FARMS RD**

Parcel size 0.2695 ACRES

Parcel No. 36434220031290160

Subdivision LAKE PARK ADD NO 1 IN PB 25 PGS 222 & 223

Book 27043

Page 144

Owner DAC FOOD INCORPORATED

**Location 1605 PROSPERITY FARMS RD**

Parcel size 01.2409 ACRES

Parcel No. 36434220031300150

Subdivision LAKE PARK ADD NO 1 IN PB 25 PGS 222 & 223

Book 22958

Page 1907

Owner SF PROPERTIES INC

Use Type 1100 - STORES

**ORDINANCE NO. 06-2020**

**AN ORDINANCE OF THE TOWN COMMISSION OF THE TOWN OF LAKE PARK, FLORIDA REZONING EIGHT PROPERTIES LOCATED ON THE EAST SIDE OF PROSPERITY FARMS ROAD, LEGALLY DESCRIBED IN EXHIBIT "A", AND SHOWN IN FIGURE 1 FROM R-3 RESIDENCE TO C-IB NEIGHBORHOOD COMMERCIAL AND AMENDING THE OFFICIAL ZONING MAP TO REFLECT THE REZONING; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the Town of Lake Park, Florida ("Town") is a duly constituted municipality having such power and authority conferred upon it by the Florida Constitution and Chapter 166, Florida Statutes; and

**WHEREAS**, the Town has adopted a Zoning Code which establishes zoning districts and an Official Zoning Map as codified and illustrated in Chapter 78 of the Town Code; and

**WHEREAS**, Town Code Section 78 182 (1) sets forth procedures for Town initiated rezoning of properties of less than ten (10) acres within the Town (the Properties); and

**WHEREAS**, The Town's Community Development Department initiated the rezoning of the Properties at the request of the owners, the total acreage of which is 2.367 acres; and

**WHEREAS**, the Properties are located on the east side of Prosperity Farms Road as shown in Figure 1, and legally described in Exhibit "A" both of which are attached hereto and incorporated herein; and

**WHEREAS**, Town's Community Development Department staff and the it's Planning and Zoning Board have reviewed the proposed Rezoning and have provided their respective recommendations to the Town Commission; and

**WHEREAS**, the Town Commission has conducted a duly noticed quasi-judicial public hearing on the proposed rezoning at which time the Commission considered the evidence presented by Town's Community Development Department's staff, including the recommendation of the Town's Planning and Zoning Board, and such testimony as presented by the property owners and any other interested parties and members of the public.

**NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COMMISSION OF THE TOWN OF LAKE PARK, FLORIDA THAT:**

**Section 1.** The whereas clauses are incorporated herein as the findings of fact and conclusions of law of the Town Commission.

**Section 2.** The Town Commission hereby rezones the Properties and directs that the Town's Official Zoning Map be amended to reflect the change of the Properties' zoning from R-3 Residence to C-1B Neighborhood Commercial.

**Section 3.** This Ordinance shall take effect upon execution.

**FIGURE 1**  
**Subject Parcels**



**EXHIBIT "A"**

**LEGAL DESCRIPTION – 8 PROPERTIES**

Parcel No. 36-43-42-20-03-129-0090

LT 9 & LT 10 (LESS N 38 FT) BLK 129, LAKE PARK ADD NO 1 IN PB 25 PGS 222 & 223, PALM BEACH COUNTY, FL.

Parcel No. 36-43-42-20-03-129-0101

North 38 FT OF LT 10, & LT 11 BLK 129, LAKE PARK ADD NO 1 IN PB 25 PGS 222 & 223, PALM BEACH COUNTY, FL.

Parcel No. 36-43-42-20-03-129-0120

LT 12 BLK 129 LAKE PARK ADD NO 1 IN PB 25 PGS 222 & 223, PALM BEACH COUNTY, FL.

Parcel No. 36-43-42-20-03-129-0130

LOT 13 BLK 129 LAKE PARK ADD NO 1 IN PB 25 PGS 222 & 223, PALM BEACH COUNTY, FL.

Parcel No. 36-43-42-20-03-129-0140

LOT 14 BLK 129, LAKE PARK ADD NO 1 IN PB 25 PGS 222 & 223, PALM BEACH COUNTY, FL.

Parcel No. 36-43-42-20-03-129-150

LOT 15 BLK 129 LAKE PARK ADD NO 1 IN PB 25 PGS 222 & 223, PALM BEACH COUNTY, FL.

Parcel No. 36-43-42-20-03-129-0160

Subdivision Lot 26 BLK 129, LAKE PARK ADD NO 1 IN PB 25 PGS 222 & 223, PALM BEACH COUNTY, FL.

Parcel No. 36-43-42-20-03-130-0150

LOT 15 BLK 130 LAKE PARK ADD NO 1 IN PB 25 PGS 222 & 223, PALM BEACH COUNTY, FL.

LEGAL NOTICE OF PROPOSED  
ORDINANCE  
TOWN OF LAKE PARK

Please take notice that on Wednesday, August 5, 2020 at 6:30 p.m. or soon thereafter the Town Commission, of the Town of Lake Park, Florida to be held at 535 Park Avenue, Lake Park, Florida 33403 will consider the following Ordinances on second reading and proposed adoption thereof:

**ORDINANCE NO. 06-2020**

AN ORDINANCE OF THE TOWN COMMISSION OF THE TOWN OF LAKE PARK, FLORIDA REZONING EIGHT PROPERTIES LOCATED ON THE EAST SIDE OF PROSPERITY FARMS ROAD, LEGALLY DESCRIBED IN EXHIBIT "A", AND SHOWN IN FIGURE 1 FROM R-3 RESIDENCE TO C-1B NEIGHBORHOOD COMMERCIAL AND AMENDING THE OFFICIAL ZONING MAP TO REFLECT THE REZONING; AND PROVIDING FOR AN EFFECTIVE DATE.

**ORDINANCE NO. 07-2020**

AN ORDINANCE OF THE TOWN COMMISSION OF THE TOWN OF LAKE PARK, FLORIDA, AMENDING SECTION 70-103 OF CHAPTER 70 PERTAINING TO TEMPORARY SIGNS; PROVIDING FOR THE REPEAL OF LAWS IN CONFLICT; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

If a person decides to appeal any decision made by the Town Commission with respect to any hearing, they will need a record of the proceedings and for such purpose may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. For additional information, please contact Vivian Mendez, Town Clerk at 561-881-3311.  
7-26/2020

0000582137-01

**LEGAL NOTICE OF PUBLIC  
HEARINGS:  
TOWN OF LAKE PARK, FLORIDA  
TOWN-INITIATED REZONING  
ALONG PROSPERITY FARMS  
ROAD (R-3 TO C-1B)**



Please take notice and be advised that the Town of Lake Park, Florida is proposing to rezone 8 properties, totaling 2.3671 acres, located on the east side of Prosperity Farms Road (south of Northlake Boulevard and north of Northern Drive), in the Town of Lake Park Florida. The properties are proposed to be rezoned from R-3 Residence District to C-1B Neighborhood Commercial District, to bring properties into conformance with their adopted Future Land Use designation of Commercial

The properties are identified with the following Property Control Numbers (PCN) and are also illustrated to the left: 36-43-42-20-03-129-0090; 36-43-42-20-03-129-0101; 36-43-42-20-03-129-0120; 36-43-42-20-03-129-0130; 36-43-42-20-03-129-0140; 36-43-42-20-03-129-0150; 36-43-42-20-03-129-0160; and 36-43-42-20-03-130-0150

The Town Commission will hold a quasi-judicial public hearing on the proposed rezoning on first reading on **Wednesday, July 1 at 6:30 p.m., or as soon thereafter as can be heard,** and

The Town Commission will hold a quasi-judicial public hearing on the proposed rezoning on second reading for final adoption on **Wednesday, July 15 6:30 p.m., or as soon thereafter as can be heard.**

**All meetings will be held in the Town Hall Commission Chambers, located at 535 Park Avenue, Lake Park, Florida, 33403.**

If a person decides to appeal any decision made by the Planning & Zoning Board, or Town Commission with respect to any hearing, they will need a record of the proceedings and for such purpose may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. Records related to the item may be inspected by visiting the Community Development Department at Town Hall (535 Park Avenue, Lake Park, FL 33403). For additional information, please contact Vivian Mendez, Town Clerk at 561-881-3311.

**Town Clerk:** Vivian Mendez **PUB:** The Palm Beach Post – Sunday, June 21, 2020



Community  
Development  
Department

*Notification of Public Hearings*

June 18, 2020

Dear Property Owner:

*You are receiving this notice of public hearings because you are the legal owner of record for one of the subject properties being proposed for rezoning and a certified notice is required pursuant to Florida State Statute.*

*Should you wish to attend the meetings to comment on the application please take note of the date, time and location. If you do not wish to attend the meetings and do not have any comments, you may disregard this notice.*

**AGENDA ITEM**

Please take notice and be advised that the Town of Lake Park, Florida is proposing to rezone 8 properties, totaling 2.3671 acres, located on the east side of Prosperity Farms Road (south of Northlake Boulevard and north of Northern Drive), in the Town of Lake Park Florida. The properties are proposed to be rezoned from R-3 Residence District to C-1B Neighborhood Commercial District, to bring properties into conformance with their adopted Future Land Use designation of Commercial. The Planning and Zoning Board held its Hearing on March 2, 2020 and has recommended approval to the Town Commission.

**PUBLIC HEARINGS**

**MEETINGS: LAKE PARK TOWN COMMISSION**  
**(QUASI-JUDICIAL)**

**DATE: WEDNESDAY, JULY 1, 2020 FIRST READING**  
**TIME: 6:30 P.M. (OR AS SOON THEREAFTER AS CAN BE HEARD)**

**DATE: WEDNESDAY, JULY 15, 2020 – SECOND READING FOR ADOPTION**

**TIME: 6:30 P.M.**  
**(OR AS SOON THEREAFTER AS CAN BE HEARD)**

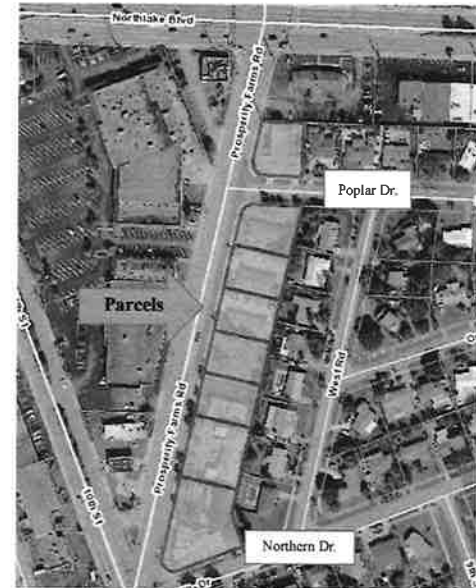
**ALL MEETINGS WILL BE HELD IN THE TOWN HALL COMMISSION CHAMBERS, LOCATED AT 535 PARK AVENUE, LAKE PARK, FLORIDA, 33403.**

535 Park Avenue  
Lake Park, FL 33403  
Phone: (561) 881-3318  
Fax: (561) 881-3323

[www.lakeparkflorida.gov](http://www.lakeparkflorida.gov)



Community  
Development  
Department



**LOCATION MAP**

*If a person decides to appeal any decision made by the Planning & Zoning Board or Town Commission with respect to any hearing, they will need a record of the proceedings and for such purpose may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. For additional information, or to review any documents related to the proposal described herein, please visit the Community Development Department at 535 Park Avenue, Lake Park, FL 33403, or contact the Planner, Karen Golonka at 561-881-3320 or [kgolonka@lakeparkflorida.gov](mailto:kgolonka@lakeparkflorida.gov).*

535 Park Avenue  
Lake Park, FL 33403  
Phone: (561) 881-3318  
Fax: (561) 881-3323

[www.lakeparkflorida.gov](http://www.lakeparkflorida.gov)



# TAB 17



**Town of Lake Park Town Commission**

**Agenda Request Form**

**Meeting Date: August 5, 2020**

**Agenda Item No.**

**Agenda Title: AN ORDINANCE OF THE TOWN COMMISSION OF THE TOWN OF LAKE PARK, FLORIDA, AMENDING SECTION 70-103 OF CHAPTER 70 PERTAINING TO TEMPORARY SIGNS; PROVIDING FOR THE REPEAL OF LAWS IN CONFLICT; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.**

- |                                     |  |                          |                |
|-------------------------------------|--|--------------------------|----------------|
| <input type="checkbox"/>            | SPECIAL PRESENTATION/REPORTS               | <input type="checkbox"/> | CONSENT AGENDA |
| <input type="checkbox"/>            | BOARD APPOINTMENT                          | <input type="checkbox"/> | OLD BUSINESS   |
| <input checked="" type="checkbox"/> | <b>ORDINANCE ON 2<sup>nd</sup> READING</b> |                          |                |
| <input type="checkbox"/>            | NEW BUSINESS                               |                          |                |
| <input type="checkbox"/>            | OTHER: _____                               |                          |                |

Approved by <sup>ACTION</sup> Town Manager *Nadia Di Tommaso* Date: 7/29/2020

**Nadia Di Tommaso / Community Development Director** *ND*  
Name/Title \_\_\_\_\_

<b>Originating Department:</b>  Community Development	Costs: \$ Legal Fee / Advertisement (on 2 <sup>nd</sup> reading)  Funding Source: Legal Budget and Town Clerk  Acct. #GF 108 and #500-34910 <input type="checkbox"/> Finance <i>R. Cavieco</i>	<b>Attachments:</b>  → Ordinance 07-2020 → Legal Ad
<b>Advertised:</b> Date: 07/26/20 – PB Post <input type="checkbox"/> Not Required	All parties that have an interest in this agenda item must be notified of meeting date and time. The following box must be filled out to be on agenda.	Yes I have notified everyone _____ OR Not applicable in this case __ <b>ND</b>  <b>Please initial one.</b>

**Summary Explanation/Background:**

July 1, 2020 Meeting – Approved by the Town Commission on 1<sup>st</sup> reading.

This Ordinance is fairly simple. In an effort to accommodate promotional signage for some of our larger developments currently in the pipeline such as the Nautilus 220 project and others that may

be forthcoming, Staff had discussions with applicants regarding the ability to add additional signage promoting developments as 'fence wraps' surrounding project sites. The Town Code currently provides for development signage however, the square footage included is more appropriate to smaller site developments and does not accommodate some typical larger development site signage wraps similar to the following:



The proposal is to allow development signage to be placed on construction fences; increase the allowable square footage from 200 square feet per face to 300 square feet per face; and in the case of fence wraps, to allow the total square footage for all street fronts to be combined and distributed around the site as needed, while still adhering to the required visibility triangles at street corners and driveway entrances.

**Recommended Motion: I move to ADOPT Ordinance 07-2020 on second reading.**

**ORDINANCE 07-2020**

**AN ORDINANCE OF THE TOWN COMMISSION OF THE TOWN OF LAKE PARK, FLORIDA, AMENDING SECTION 70-103 OF CHAPTER 70 PERTAINING TO TEMPORARY SIGNS; PROVIDING FOR THE REPEAL OF LAWS IN CONFLICT; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the Town of Lake Park, Florida is a duly constituted municipality having such power and authority conferred upon it by the Florida Constitution and Chapters 163, Florida Statutes; and

**WHEREAS**, the Town Commission has adopted sign regulations which have been codified in Chapter 70 of the Town Code; and

**WHEREAS**, the Town's Community Development Department has recommended an amendment to Section 70-103(3) of the Code of Ordinances pertaining to temporary signs; and

**WHEREAS**, the Town Commission has determined that the recommended amendments would further the public's health, safety and general welfare.

**NOW THEREFORE, BE IT ORDAINED BY THE TOWN COMMISSION OF THE TOWN OF LAKE PARK, FLORIDA:**

**Section 1.** The whereas clauses are incorporated herein as true and correct and as the legislative findings of the Town Commission.

**Section 2.** Chapter 70, Article IV, Section 70-103.-3.(a) is hereby amended as follows:

70-103

3. *Temporary signage.*

(a) *Temporary signs erected during the development stage of residential and nonresidential uses.* Signs with one or two faces and wall-mounted signs with one face ~~shall be~~ are permitted subject to the following restrictions:

- (1) ~~Permitted content~~Identification: Identification of homes or home sites, condominiums, apartments, for sale, rent, or lease in a residential development under construction, and/or identification of nonresidential development under construction. Signs may include identification of developers, contractors, architects, engineers, real estate agents and other related information.
- (2) Maximum area: ~~Two~~Three hundred square feet per face is permitted for approved wall-mounted, ~~and~~ freestanding signs, or signs on development fences (fence wrap). If the temporary sign is in the form of a fence wrap and the property is located on more than one street frontage, the total per street frontage may be combined into selected frontages that propose signage.
- (3) Maximum number: One per 500 feet or fraction thereof of each street frontage for wall-mounted or freestanding signs. For fence wraps, this is regulated by maximum area above.
- (4) Location: On walls, freestanding, or as a fence wrap. Within 100 feet of the entrance to the development, which it identifies, or in another suitable location as determined by the community development director.
- (5) ~~Minimum setbacks: Twenty feet from the lot line of any property located outside the development.~~ Pursuant to the visibility triangles set forth in section 78-253(c)(9).
- (6) Maximum height: Twelve feet if freestanding or wall-mounted. Eight feet if used as a fence wrap.
- (7) Prior to the issuance of ~~a~~ the first certificate of occupancy or completion of a completed residential or nonresidential structure, all such signs shall be removed.
- (8) Illegally placed temporary signs shall be removed by the town at the sole expense of the property owner, and/or sign owner, and/or the individual responsible for the illegal placement. Failure to remove such signs shall result in the imposition of a fine in an amount established by resolution of the town commission but not to exceed \$250.00 for the first violation, together with an assessment of the town's administrative costs; repeat violations are subject to the imposition of a \$500.00 fine, together with an assessment of the town's administrative costs.
- (9) Maximum height of 12 feet and minimum of 20 feet from the public right-of-way. Such distance and height may be altered if unique physical conditions exist as determined by the community development director.

**Section 3. Severability.** If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and

independent provision and such holding shall not affect the validity of the remaining portions thereof.

**Section 4. Repeal of Laws in Conflict.** All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

**Section 5. Codification.** The sections of the Ordinance may be made a part of the Town Code of Laws and Ordinances and may be renumbered or relettered to accomplish such, and the word "ordinance" may be changed to "section," "article," or any other appropriate word.

**Section 6. Effective Date.** This Ordinance shall take effect upon execution.

**LEGAL NOTICE OF PROPOSED  
ORDINANCE  
TOWN OF LAKE PARK**

Please take notice that on Wednesday, August 5, 2020 at 6:30 a.m. or soon thereafter the Town Commission of the Town of Lake Park, Florida to be held at 535 Oak Avenue, Lake Park, Florida 33503 will consider the following Ordinances on second reading and proposed adoption thereof:

**ORDINANCE NO. 06-2020**

AN ORDINANCE OF THE TOWN COMMISSION OF THE TOWN OF LAKE PARK, FLORIDA, REZONING EIGHT PROPERTIES LOCATED ON THE EAST SIDE OF PROSPERITY FARMS ROAD, LEGALLY DESCRIBED IN EXHIBIT "A", AND SHOWN IN FIGURE 1 FROM R-3 RESIDENCE TO C-88 NEIGHBORHOOD COMMERCIAL AND AMENDING THE OFFICIAL ZONING MAP TO REFLECT THE REZONING, AND PROVIDING FOR AN EFFECTIVE DATE.

**ORDINANCE NO. 07-2020**

AN ORDINANCE OF THE TOWN COMMISSION OF THE TOWN OF LAKE PARK, FLORIDA, AMENDING SECTION 70-103 OF CHAPTER 70 PERTAINING TO TEMPORARY SIGNS, PROVIDING FOR THE REPEAL OF LAWS IN CONFLICT, PROVIDING FOR SEVERABILITY, AND PROVIDING FOR AN EFFECTIVE DATE.

If a person desires to appeal any decision made by the Town Commission with respect to any hearing, they will need a record of the proceedings, and for such purpose may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. For additional information, please contact Yovani Mendez, Town Clerk at 561-881-3311. 7/26/2020

00009211701

# **New Business**



# TAB 18



Town of Lake Park Town Commission

Agenda Request Form

Meeting Date: August 5, 2020

Agenda Item No.

**Agenda Title: Resolution Authorizing and Directing the Mayor to Execute a License Agreement with SEH Lake Park LLC to Utilize Certain Town Owned Property for Parking Purpose for the Benefit of a Restaurant Known as Dunkin Donuts**

- SPECIAL PRESENTATION/REPORTS  **CONSENT AGENDA**
- BOARD APPOINTMENT  OLD BUSINESS
- PUBLIC HEARING ORDINANCE ON FIRST READING
- NEW BUSINESS
- OTHER: \_\_\_\_\_

Approved by <sup>ACTION</sup> Town Manager Bonnie McMillan-Lynn Date: 7/24/2020

Name/Title

<b>Originating Department:</b>  <b>Town Manager</b>	Costs: \$ 0.00 Funding Source: Acct. # <input type="checkbox"/> Finance _____	<b>Attachments:</b>  <b>Resolution; Copy of New License Agreement; and, Copy of 2010 License Agreement</b>
<b>Advertised:</b> Date: _____ Paper: _____ <input checked="" type="checkbox"/> Not Required	All parties that have an interest in this agenda item must be notified of meeting date and time. The following box must be filled out to be on agenda.	Yes I have notified everyone _____ OR <b>Not applicable in this case</b> <b>BMT</b> <b>Please initial one.</b>

**Summary Explanation/Background:**

At its August 18, 2010 meeting, the Commission approved the License Agreement between the Town of Lake Park and DB Real Estate Assets I LLC for permission to utilize certain Town owned property adjacent to the Dunkin Donuts restaurant on Federal Highway for parking purposes. Such License Agreement, entered into on September 20, 2010, will expire on August 31, 2020.

The purpose of this agenda item is to approve a new ten-year License Agreement between the Town and SEH Lake Park LLC for permission to utilize the same Town owned property for parking purposes for the benefit of Dunkin Donuts restaurant for an annual rent of \$10,247.85.

A copy of the 2010 License Agreement and the new License Agreement are attached.

Staff recommends approval.

**Recommended Motion:** I move to approve Resolution 53-08-20.

**RESOLUTION NO. 53-08-20**

**A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF LAKE PARK, FLORIDA AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE A LICENSE AGREEMENT WITH SEH LAKE PARK, LLC; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the Town of Lake Park, Florida (hereinafter “Town”) is a municipal corporation of the State of Florida with such power and authority as has been conferred upon it by the Florida Constitution and Chapter 166, Florida Statutes; and

**WHEREAS**, The Town is empowered to enter into contractual arrangements with public agencies, private corporations or other persons; and

**WHEREAS**, Licensee and Town desire to enter into an Agreement whereby the Licensee is permitted to utilize certain Town owned property for parking purposes for the benefit of a restaurant known as Dunkin Donuts operated by the Licensee at 301 Federal Highway, Lake Park, Florida (the Property); and

**WHEREAS**, the Property is adjacent to property owned by the Town; and

**WHEREAS**, the Licensee has used and wants to continue to use the Property to provide for parking for its customers; and

**WHEREAS**, the Town and Licensee have agreed to the terms and conditions of a License Agreement which would enable the Licensee to continue to use the Property for parking.

**NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COMMISSION OF THE TOWN OF LAKE PARK, FLORIDA AS FOLLOWS:**

**Section 1.** The foregoing recitals are incorporated herein.

**Section 2.** The Commission hereby authorizes and directs the Mayor to execute the License Agreement for parking purposes between the Town of Lake Park and SEH Lake Park, LLC. The License Agreement is attached hereto and incorporated herein as Exhibit A.

**Section 3.** This Resolution shall be effective upon adoption.

LICENSE AGREEMENT

**THIS LICENSE AGREEMENT (Agreement)** is hereby entered into this \_\_\_\_ day of \_\_\_\_\_, 2020, by the **Town of Lake Park**, Florida ("Town"), a municipal corporation organized and existing in accordance with the laws of the State of Florida, located at 535 Park Avenue, Lake Park, Florida 33403 and **SEH Lake Park, LLC**, a Florida Limited Liability Company, located at 848 1<sup>st</sup> Avenue North, Naples, Florida 34102 ("Licensee").

**WHEREAS**, Licensee and Town desire to enter into an Agreement whereby the Licensee is permitted to utilize certain Town owned property for parking purposes for the benefit of a restaurant known as Dunkin Donuts that Licensee operates on property at 301 Federal Highway, Lake Park, Florida which is adjacent to the Town property, to provide for parking for its customers and citizens of the Town; and

**WHEREAS**, the Town and Licensee have agreed to the terms and conditions of this License Agreement; and

**WHEREAS** for the faithful and timely performance of and compliance with the terms and conditions stated herein, the Town agrees to permit the Licensee to use and occupy for parking purposes the Town property (the "Property") which is more particularly described in **Exhibit "A"** attached hereto and made a part hereof subject to certain terms and conditions.

1. **TERM OF LICENSE AND COMPENSATION:** This Agreement shall commence on the 1<sup>st</sup> day of September 2020, ("Effective Date") following approval by the Town Commission, and shall continue through August 31, 2030. During the term, Licensee shall pay the Town annually in advance on the first day of each month beginning on the Effective Date an annual rent of \$10,247.85.

2. **EXTENT OF AGREEMENT:** This Agreement provides for the sole purpose of authorizing the Licensee's use of 9 parking spaces on the Property for the parking of vehicles by customers in connection with Licensee's use and operation of the Dunkin' Donuts restaurant which is owned and operated by a franchisee of Dunkin' Donuts Franchising LLC, an affiliate of the Licensee. This Agreement is for the Licensee and such franchisees use only and is not transferable without the written consent of the Town as set forth in Paragraph 6.

3. **USE OF THE PROPERTY:** Licensee shall maintain the Property and the

access from the existing parking lot for Dunkin' Donuts which is located at 301 Federal Highway. Licensee agrees that in the event that the Town determines it is necessary to maintain, repair, remove or replace any asphalt located within the Property, and the work requires temporary and restrictive use of the Property and/or the removal and replacement of asphalt in or upon the Property, the removal and replacement may be done by the Town and/or its agents at the sole cost and expense of the Licensee. If Licensee fails to reimburse the Town for all costs associated with the improvement of the Property and the parking areas as described above, within 30 days from the date of receipt of an invoice from the Town, the Town may terminate this Agreement following the notice requirements hereunder. If Licensee's use of the Property is interrupted or discontinued by the Town, the monthly payments to be made shall be adjusted to reflect the number of days the Property was not available for use.

4. **INDEMNITY:** Licensee shall investigate all claims of every nature arising out of its use of the Property at its own expense and, shall indemnify, protect, defend, save and hold harmless the Town, its elected and appointed officers, and its agents or employees, from any and all damages, claims, demands, lawsuits, causes of actions of liability, cost and expense, including reasonable attorneys' fees, arising out of the Licensee's use of the Property at both the trial and all appellate levels, and in mediation, arbitration, or in any other administrative proceeding. Notwithstanding the foregoing, Licensee shall not be responsible to indemnify, protect, defend or save harmless the Town if any such damages, claims, demands, lawsuits, causes of actions of liability, cost and expense, including reasonable attorneys' fees are the result of the negligence or willful misconduct of the Town, its elected or appointed officers, or its agents or employees.

5. **HOLD HARMLESS:** Licensee shall indemnify and hold harmless the Town, its elected and appointed officials, and its consultants, agents, independent contractors, and employees, from and against, all claims, damages, losses and expenses, direct, indirect or consequential (including but not limited to fees and costs of attorneys and other professionals, courts, and mediation) arising out of or resulting from the performance of construction, operation, use, maintenance or repair by the Licensee where any such claim, damage, loss or expense (a) is attributable to bodily

injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the work itself) including the loss of use resulting there from and (b) is caused in whole or in part by any willful or negligent act or omission of Licensee, or its subcontractors, or any person, agent, or organization directly or indirectly employed by any of them to perform or furnish any of the work or anyone for whose acts any of them may be liable. In the event the Town is sued, the Town reserves the right to select its own counsel to conduct any defense in any court proceedings and all reasonable costs and fees associated therewith shall be the responsibility of Licensee.

In any and all claims against the Town, its elected or appointed officials or any of its consultants, agents, independent contractors, or employees, by any employee of Licensee, or any subcontractor, any person or organization directly or indirectly employed by any of them, to perform or furnish any of the work or anyone for whose acts any of them may be liable, the indemnification obligation under the above paragraph shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for Licensee or any such subcontractor or other person or organization under workers or workman's compensation acts, disability benefit acts or other employee benefit acts.

It is the specific intent of the parties hereto that the foregoing indemnification complies with Florida Statute Section 725.06 (Chapter 725). It is further the specific intent and agreement of the parties that this Agreement hereby includes the foregoing indemnification and the "Specific Consideration" therefore.

6. **ASSIGNMENT AND SUBLETTING:** This Agreement shall not be assigned or sublicensed in whole or in part except with the prior written consent of the Town; provided, however, the Town acknowledges and agrees that the Licensee is permitted to allow the Dunkin' Donuts franchisee who is operating the Dunkin' Donuts restaurant located on the adjacent property to sublicense and use, for itself and its customers, the Property.

7. **PROHIBITIONS AGAINST LIENS OR OTHER ENCUMBRANCES:** Licensee shall not do or permit anything to be done which purports to create a lien or encumbrance of any nature against the Property.

8. **BREACH/NOTICE TO CURE:** Should Licensee or Town breach any of the

covenants, terms or conditions of this Agreement, the non-breaching party shall give written notice to the other to remedy such breach within 10 days of receipt of such notice. In the event that either party fails to remedy the breach to the satisfaction of the other party within 10 days of the receipt of the written notice, the other party may terminate this Agreement immediately, provided, however, that if the breaching party commences such cure within such ten 10 day period and is diligently pursuing the cure to completion, the non-breaching party shall not be entitled to terminate this Agreement

9. **INSURANCE REQUIREMENTS:** During the term of this Agreement, Licensee shall procure and maintain such commercial general liability policies covering the Property in amounts not less than one million dollars (\$1,000,000.00) general aggregate, personal injury, death and property damage on the lands covered by this Agreement. The Town shall be named as an "additional named insured" on this general liability policy.

All policies of insurance shall contain a provision or endorsement that the coverage afforded shall not be canceled, materially changed or renewal refused until at least 30 calendar days written notice has been given to the Town by certified mail. The required insurance coverage shall be issued by an insurance company duly authorized and licensed to do business in the State of Florida with the following minimum qualifications in accordance with the latest edition of A.M. Best's Insurance Guide: Financial Stability: B+ to A+. All required insurance shall preclude any underwriter's rights of recovery or subrogation against the Town with the express intention of the parties being that the required coverages protect both parties as the primary insurance for any and all losses covered by the above described insurance.

The clauses "Other Insurance Provisions" and "Insured Duties in the Event of an Occurrence, Claim or Suit" as they appear in any policy of insurance in which the Town is named as an additional insured shall not apply to the Town. Licensee shall not commence use of the Property until it has obtained all of the minimum insurance required herein. Violation of the terms of this Paragraph and its sub-parts shall constitute a material breach of the Agreement and the Town, at its sole discretion, may cancel the Agreement if the Licensee fails to provide the Town with evidence that such insurance is in place within 10 days or written notice to Licensee from the Town, and all rights, title and interest of Licensee shall thereupon cease and terminate.



10. **TAXES:** To the extent and in the event ad valorem or other taxes are levied against the Property, the Licensee shall be responsible for the payment or reimbursement of the Town for each and every year said taxes maybe be levied during the term. Failure to pay such taxes after applicable notice and cure periods have expired shall be a default of the license which shall entitle the Town to immediate possession of the Property and termination of the Agreement.

11. **TERMINATION:** This Agreement may be terminated for any breach of the terms of this Agreement in accordance with paragraph 8. Upon termination of this Agreement and written notice by the Town the Licensee shall, contract for the removal of any asphalt placed upon the Property, and the Licensee shall be responsible for requiring that the work shall be accomplished within a commercially reasonable time frame, failing which, the Town may cause the work to be completed and charge the Licensee the full amount of all fees and costs associated therewith, including loss of use expenses and costs and reasonable attorney's fees and other costs.

12. **NOTICE:** All notices given under this Agreement shall be in writing and shall be served by certified mail, including, but not limited to, notice of any violations served to the last address of the party to whom the notice is to be given as designated by such party in writing. Licensee and Town hereby designate their addresses as follows:

**TOWN**

Town of Lake Park  
Attn: Town Manager  
535 Park Avenue  
Lake Park, Florida 33403

**LICENSEE**

SEH Lake Park,LLC  
848 1<sup>st</sup> Avenue North  
Naples, FL 34102

13. **PARTIAL INVALIDITY-SEVERABILITY:** If any term, covenant, condition or provision of this Agreement shall be ruled by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

14. **NO WAIVER OF BREACH:** The failure of Town to insist on any one or more instances or upon the strict performance of any of the covenants, terms and conditions of this Agreement, shall not be construed as a waiver of such covenants, terms and conditions, and the same shall continue in full force and effect. No waiver of the Town of any of the provisions hereof shall in any event be deemed to have been made unless the

waiver is set forth in writing and signed by an authorized agent of the Town.

15. **COMPLIANCE WITH LAWS**: Licensee shall comply with all applicable permits, regulations, ordinances, rules and laws of the State of Florida, the United States, the Town, or any political subdivision or agency which has legitimate jurisdiction authority regarding the Property.

16. **GOVERNING LAW**: This Agreement shall be governed by and interpreted according to the laws of the State of Florida; venue for the enforcement of this Agreement shall be Palm Beach County, Florida.

17. **DUPLICATE ORIGINALS**: This Agreement is executed in duplicate originals, each of which shall be considered an original for all purposes.

18. **ENTIRE UNDERSTANDING**: This Agreement sets forth the entire understanding between the parties and shall only be amended with the prior written consent of both parties.

19. **ATTORNEY'S FEES** In the event that legal action is taken to enforce this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees, including attorney's fees at trial and all appellate levels, and other costs and disbursements associated with the enforcement of the Agreement, in addition to any other relief to which the prevailing party is entitled.

20. **RENEWAL OPTIONS**. Licensee shall have two 10 year renewal option periods provided that Licensee is not in default under this License Agreement and provides the Town with 180 days written notice of its intention to exercise the option(s). Rent for each option period shall increase by the greater of 10% or the increase in the CPI for the period. "CPI" shall mean the Consumer Price Index for all Urban Consumers, All Items, U.S.A. Area, 1982-1984 = 100, as published by the Bureau of Labor Statistics, United States Department of Labor (U.S. City Average). If such index is discontinued, CPI shall then mean the most nearly comparable index published by the Bureau of Labor Statistics or other office agency of the United States Government as determined by Town. However, in no case shall the rent for the option period increase more than 20%.

[Signatures appended on the following 2 pages]

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed on the day and year first above written.

<p>X _____ Witness Printed Name: _____</p> <p>X _____ Witness Printed Name: _____</p> <p><b>APPROVED AS TO FORM AND LEGAL SUFFICIENCY</b></p> <p>By: _____ Thomas J. Baird, Town Attorney</p>	<p>Town of Lake Park, a Florida Municipal Corporation</p> <p>By: _____ Michael O'Rourke, Mayor</p>
---	--

State of Florida  
County of Palm Beach

The foregoing instrument was acknowledged before me by means of [ ] physical presence or [ ] online notarization this \_\_\_\_ day of [Month, Year], by \_\_\_\_\_, Mayor of the Town of Lake Park, a Florida municipal corporation, on behalf of the Town [ ] who is/are personally known to me or [ ] who have produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
Notary Public  
Commission Expiration Date:

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed on the day and year first above written.

<p>X _____ Witness Printed Name: _____</p> <p>X _____ Witness Printed Name: _____</p>	<p><b>SEH Lake Park, LLC</b>, a Florida Limited Liability Company</p> <p>By: _____, Manager</p>
---	---

State of Florida

County of \_\_\_\_\_

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization this \_\_\_\_\_ day of [Month, Year], by \_\_\_\_\_, \_\_\_\_\_ Manager of **SEH Lake Park, LLC**, a Florida Limited Liability Company on behalf of the company  who is/are personally known to me or  who have produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
Notary Public  
Commission Expiration Date:

P:\DOCS\26508\00001\DOC\20N5384.DOCX

## LICENSE AGREEMENT

**THIS LICENSE AGREEMENT** is hereby entered into this 9/20 day of 2010, by the Town of Lake Park, Florida ("Town"), a municipal corporation organized and existing in accordance with the laws of the State of Florida, located at 535 Park Avenue, Lake Park, Florida 33403 and DB Real Estate Assets I LLC, a Delaware Limited Liability Company licensed to do business in the State of Florida and having a principal office address located at 130 Royall Street, Suite 100, Canton, Massachusetts 02021 ("Licensee").

**WHEREAS**, on October 1, 2009, Licensee and Town entered into an Agreement whereby the Licensee is permitted to utilize certain Town owned property for parking purposes for the benefit of a restaurant known as Dunkin Donuts that Licensee operates on property which is adjacent to the Town property, to provide for parking for its customers and citizens of the Town; and

**WHEREAS**, the Town has considered Licensee's request to extend the use of the Town's property to August 31, 2020 and to increase the amount Licensee will pay to the Town for the use of the Town property; and

**WHEREAS**, the Town and Licensee have agreed to terminate the October 1, 2009 Agreement and replace it with this License Agreement; and

**WHEREAS** for the faithful and timely performance of and compliance with the terms and conditions stated herein, the Town agrees to permit the Licensee to use and occupy for parking purposes the Town property consisting of a strip of land 15 feet by 150 feet, for a total of approximately 2,250± square feet (the "Property"), and which is more particularly described in **Exhibit "A"** attached hereto and made a part hereof subject to certain terms and conditions.

1. **TERM OF LICENSE AND COMPENSATION**: This License Agreement ("Agreement") shall commence on the 1<sup>st</sup> day of October 2010, ("Effective Date") following approval by the Town Commission, and shall continue through August 31, 2020. During the term, Licensee shall pay the Town annually in advance on the first day of each month beginning on the Effective Date noted above in accordance with the annual rent set forth during each year pursuant to the term set forth herein below:

<u>Rental Period</u>	<u>Rent</u> <u>Yearly</u>
October 1, 2010 through September 31, 2011	\$ 7,200.00
October 1, 2011 through September 31, 2012	\$ 7,488.00
October 1, 2012 through September 31, 2013	\$ 7,787.52
October 1, 2013 through September 31, 2014	\$ 8,099.02
October 1, 2014 through September 31, 2015	\$ 8,422.98
October 1, 2015 through September 31, 2016	\$ 8,759.90
October 1, 2016 through September 31, 2017	\$ 9,110.30
October 1, 2017 through September 31, 2018	\$ 9,474.71
October 1, 2018 through September 31, 2019	\$ 9,853.70
October 1, 2019 through August 31, 2020	\$10,247.85

2. **EXTENT OF AGREEMENT:** This Agreement provides for the sole purpose of authorizing the Licensee's use of 10 parking spaces on the Property for the parking of vehicles by customers in connection with Licensee's use and operation of the Dunkin' Donuts restaurant which is owned and operated by a franchisee of Dunkin' Donuts Franchising LLC, an affiliate of the Licensee. This Agreement is for the Licensee and such franchisees use only and is not transferable without the written consent of the Town as set forth in Paragraph 6.

3. **USE OF THE PROPERTY:** Licensee shall maintain the Property and the access from the existing parking lot for Dunkin' Donuts which is located at 301 Federal Highway. Licensee agrees that in the event that the Town determines it is necessary to maintain, repair, remove or replace any asphalt located within the Property, and the work requires temporary and restrictive use of the Property and/or the removal and replacement of asphalt in or upon the Property, the removal and replacement may be done by the Town and/or its agents at the sole cost and expense of the Licensee. If Licensee fails to reimburse the Town for all costs associated with the improvement of the Property and the parking areas as described above, within 30 days from the date of receipt of an invoice from the Town, the Town may terminate this Agreement following the notice requirements hereunder. If Licensee's use of the Property is interrupted or discontinued by the Town, the monthly payments to be made shall be adjusted to reflect the number of days the Property was not available for use.

4. **INDEMNITY:** Licensee shall investigate all claims of every nature arising out of its use of the Property at its own expense and, shall indemnify, protect, defend, save and hold harmless the Town, its elected and appointed officers, and its agents or

employees, from any and all damages, claims, demands, lawsuits, causes of actions of liability, cost and expense, including reasonable attorneys' fees, arising out of the Licensee's use of the Property at both the trial and all appellate levels, and in mediation, arbitration, or in any other administrative proceeding. Notwithstanding the foregoing, Licensee shall not be responsible to indemnify, protect, defend or save harmless the Town if any such damages, claims, demands, lawsuits, causes of actions of liability, cost and expense, including reasonable attorneys' fees are the result of the negligence or willful misconduct of the Town, its elected or appointed officers, or its agents or employees.

5. **HOLD HARMLESS:** Licensee shall indemnify and hold harmless the Town, its elected and appointed officials, and its consultants, agent, independent contractors and employees, from and against, all claims, damages, losses and expenses, direct, indirect or consequential (including but not limited to fees and charges of attorneys and other professionals and court, mediation and arbitration costs) arising out of or resulting from the performance of construction, operation, use, maintenance or repair by the Licensee where any such claim, damage, loss or expense (a) is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the work itself) including the loss of use resulting there from and (b) is caused in whole or in part by any willful or negligent act or omission of Licensee, or its subcontractors, or any person or organization directly or indirectly employed by any of them to perform or furnish any of the work or anyone for whose acts any of them may be liable. The Town reserves the right to select its own counsel to conduct any defense in any such proceedings and all reasonable costs and fees associated therewith shall be the responsibility of Licensee as set forth herein.

In any and all claims against the Town, its elected or appointed officials or any of its consultants, agents, independent contractors, or employees, by any employee of Licensee, or any subcontractor, any person or organization directly or indirectly employed by any of them, to perform or furnish any of the work or anyone for whose acts any of them may be liable, the indemnification obligation under the above paragraph shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for Licensee or any such

subcontractor or other person or organization under workers or workman's compensation acts, disability benefit acts or other employee benefit acts.

It is the specific intent of the parties hereto that the foregoing indemnification complies with Florida Statute Section 725.06 (Chapter 725). It is further the specific intent and agreement of the parties that this Agreement is hereby amended to include the foregoing indemnification and the "Specific Consideration" therefore.

6. **ASSIGNMENT AND SUBLETTING:** This Agreement shall not be assigned or sublicensed in whole or in part except with the prior written consent of the Town; provided, however, the Town acknowledges and agrees that the Licensee is permitted to allow the Dunkin' Donuts franchisee who is operating the Dunkin' Donuts restaurant located on the adjacent property to sublicense and use, for itself and its customers, the Property.

7. **PROHIBITIONS AGAINST LIENS OR OTHER ENCUMBRANCES:** Licensee shall not do or permit anything to be done which purports to create a lien or encumbrance of any nature against the Property.

8. **BREACH/NOTICE TO CURE:** Should Licensee or Town breach any of the covenants, terms or conditions of this Agreement, the non-breaching party shall give written notice to the other to remedy such breach within 10 days of receipt of such notice. In the event that either party fails to remedy the breach to the satisfaction of the other party within 10 days of the receipt of the written notice, the other party may terminate this Agreement immediately, provided, however, that if the breaching party commences such cure within such ten 10 day period and is diligently pursuing the cure to completion, the non-breaching party shall not be entitled to terminate this Agreement.

9. **INSURANCE REQUIREMENTS:** During the term of this Agreement, Licensee shall procure and maintain commercial general liability property damage policies of insurance in amounts not less than one million dollars (\$1,000,000.00) general aggregate, personal injury, death and property damage on the lands covered by this Agreement. The Town shall be named as an "additional named insured" on all policies to this Agreement.

All policies of insurance shall contain a provision or endorsement that the coverage afforded shall not be canceled, materially changed or renewal refused until at least 30 calendar days written notice has been given to the Town by certified mail.



The required insurance coverage shall be issued by an insurance company duly authorized and licensed to do business in the State of Florida with the following minimum qualifications in accordance with the latest edition of A.M. Best's Insurance Guide: Financial Stability: B+ to A+. All required insurance shall preclude any underwriter's rights of recovery or subrogation against the Town with the express intention of the parties being that the required coverages protect both parties as the primary insurance for any and all losses covered by the above described insurance.

The clauses "Other Insurance Provisions" and "Insured Duties in the Event of an Occurrence, Claim or Suit" as they appear in any policy of insurance in which the Town is named as an additional insured shall not apply to Town. Licensee shall not commence use of the Property until it has obtained all of the minimum insurance required herein. Violation of the terms of this Paragraph and its sub-parts shall constitute a material breach of the Agreement and the Town, at its sole discretion, may cancel the Agreement if the Licensee fails to provide the Town with evidence that such insurance is in place within 10 days or written notice to Licensee from the Town, and all rights, title and interest of Licensee shall thereupon cease and terminate.

10. **TAXES:** To the extent and in the event ad valorem or other taxes are levied against the Property, the Licensee shall be responsible for the payment or reimbursement of the Town for each and every year said taxes maybe be levied during the term. Failure to pay such taxes after applicable notice and cure periods have expired shall be a default of the license which shall entitle the Town to immediate possession of the Property and termination of the Agreement.

11. **TERMINATION:** This Agreement may be terminated for any breach of the terms of this Agreement in accordance with paragraph 8. Upon termination of this Agreement and written notice by the Town the Licensee shall, contract for the removal of any asphalt placed upon the Property, and the Licensee shall be responsible for requiring that the work shall be accomplished within a commercially reasonable time frame, failing which, the Town may cause the work to be completed and charge the Licensee the full amount of all fees and costs associated therewith, including loss of use expenses and costs and reasonable attorneys fees and other costs.

12. **NOTICE**: All notices given under this Agreement shall be in writing and shall be served by certified mail, including, but not limited to, notice of any violations served to the last address of the party to whom the notice is to be given as designated by such party in writing. Licensee and Town hereby designate their addresses as follows:

<b>TOWN</b>	<b>LICENSEE</b>
Town of Lake Park Attn: Town Manager 535 Park Avenue Lake Park, Florida 33403	DB Real Estate Assets I LLC, PO Box 9141, 130 Royall Street Canton, MA 02021

13. **PARTIAL INVALIDITY-SEVERABILITY**: If any term, covenant, condition or provision of this Agreement shall be ruled by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

14. **NO WAIVER OF BREACH**: The failure of Town to insist on any one or more instances or upon the strict performance of any of the covenants, terms and conditions of this Agreement, shall not be construed as a waiver of such covenants, terms and conditions, and the same shall continue in full force and effect. No waiver of the Town of any of the provisions hereof shall in any event be deemed to have been made unless the waiver is set forth in writing and signed by an authorized agent of the Town.

15. **COMPLIANCE WITH LAWS**: Licensee shall comply with all applicable permits, regulations, ordinances, rules and laws of the State of Florida, the United States, the Town, or any political subdivision or agency which has legitimate jurisdiction authority regarding the Property.

16. **GOVERNING LAW**: This Agreement shall be governed by and interpreted according to the laws of the State of Florida; venue for the enforcement of this Agreement shall be Palm Beach County, Florida, where the Property is located.

17. **DUPLICATE ORIGINALS**: This Agreement is executed in duplicate originals, each of which shall be considered an original for all purposes.

18. **ENTIRE UNDERSTANDING:** This Agreement sets forth the entire understanding between the parties and shall only be amended with the prior written consent of both parties.


19. **ATTORNEY'S FEES** In the event that legal action is taken to enforce this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees, including attorney's fees at trial and all appellate levels, and other costs and disbursements, in addition to any other relief to which the prevailing party is entitled.

20. **TERMINATION OF ORIGINAL AGREEMENT:** The parties agree that, as of the Effective Date, the original Agreement dated October 1, 2009 pursuant to which the Town first granted the Licensee the right to use the ten (10) parking spaces on the Property, shall be terminated and of no further force and effect and the Town and Licensee agree that this License Agreement shall govern the respective rights and obligations of the parties thereafter. Notwithstanding the foregoing, the Town acknowledges receipt of rent from the Licensee for the period ending October 31, 2010 and, as such, the Town agrees that the Licensee shall be required to pay the Town rent for the month of October 2010 in an amount equal to the rent as set forth in Paragraph 1 above less the amount the Licensee has already paid the Town for the month of October 2010.

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed on the day and year first above written.

TOWN OF LAKE PARK

By:

  
Desca Dubois, Mayor

TOWN OF LAKE PARK

SEAL

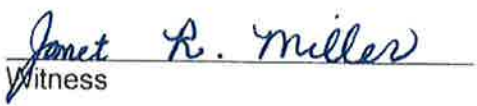
Witness



Date: September 8, 2010

FLORIDA

Witness



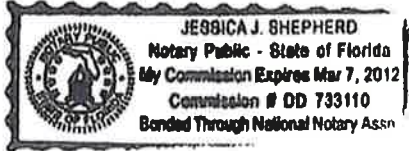
APPROVED AS TO FORM  
AND LEGAL SUFFICIENCY

By:

  
Thomas J. Baird  
Town Attorney

THE STATE OF FLORIDA  
COUNTY OF PALM BEACH

The foregoing Use and Indemnity Agreement was acknowledged before me this 8 day of September, 2010, Desca Dubois, who is personally known to me or has produced a Florida Driver's License as identification and who did/did not take an oath.



(SEAL)

Jessica J. Shepherd  
NOTARY PUBLIC, State of Florida

**DB REAL ESTATE ASSETS I LLC**

By: Bonnie Monahan

Bonnie Monahan  
VP Treasurer

Date: 9/20/10

May Ann Harris  
Witness

Audrey S. Holmes  
Witness

COMMONWEALTH OF MASSACHUSETTS  
COUNTY OF NORFOLK

The foregoing Agreement was acknowledged before me this 20<sup>th</sup> day of September, 2010, by Bonnie Monahan as, who is personally known to me and who did/did not take an oath.

(SEAL)

Joyce Hoyle  
NOTARY PUBLIC, State of Massachusetts

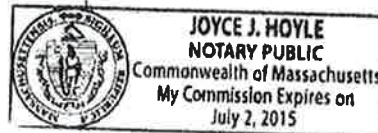
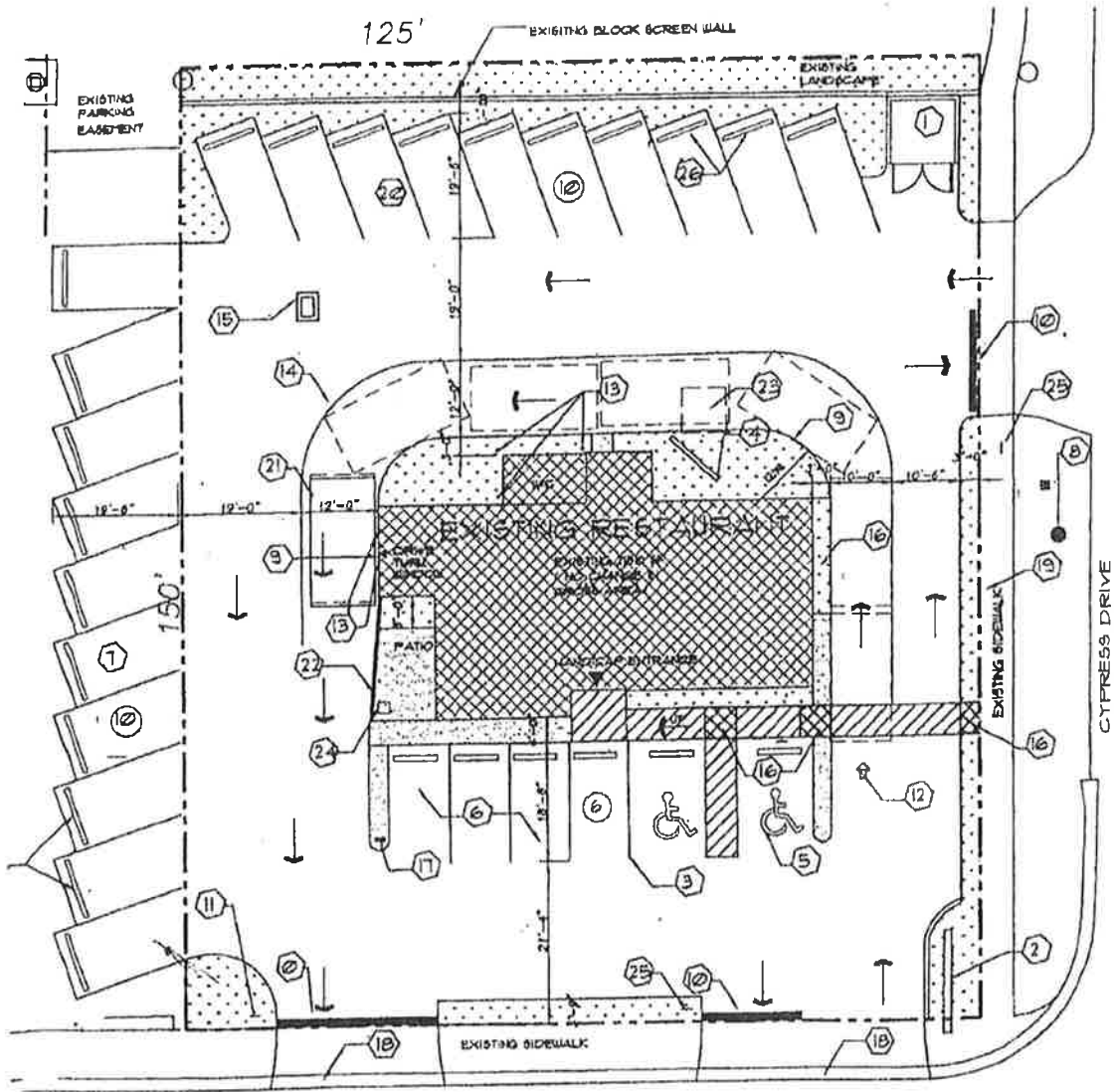


Exhibit A

LEGAL DESCRIPTION:

The East 15 feet of Lot 6, Block 115, LAKE PARK (formerly Kelsey City), according to Plat thereof on file in the Office of the Clerk of the Circuit Court in and for Palm Beach County, Florida, recorded in Plat Book 8, Page 23.



U.S. No. 1

# TAB 19



Town of Lake Park Town Commission

Agenda Request Form

Meeting Date: August 5, 2020

Agenda Item No.

Agenda Title: Florida League of Cities 2020 Virtual Annual Business Meeting Voting Delegate.

- SPECIAL PRESENTATION/REPORTS
- BOARD APPOINTMENT
- PUBLIC HEARING
- NEW BUSINESS**
- OTHER: \_\_\_\_\_

- CONSENT AGENDA
- OLD BUSINESS

Approved by <sup>Acting</sup> Town Manager [Signature] Date: 7/28/2020

Vivian Mendez, Town Clerk, MMC  
 Department Head Name/Title

<b>Originating Department:</b>  Town Clerk	Costs: \$ 0.00 Funding Source: Acct. # <input type="checkbox"/> Finance _____	<b>Attachments:</b> Voting Delegate Form
<b>Advertised:</b> Date: _____ Paper: _____ <input checked="" type="checkbox"/> Not Required	All parties that have an interest in this agenda item must be notified of meeting date and time. The following box must be filled out to be on agenda.	Yes I have notified everyone _____ OR Not applicable in this case <u>VM</u> <b>Please initial one.</b>

Summary Explanation/Background:

The Florida League of Cities will host the 2020 Virtual Annual Business meeting on Friday, August 14, 2020. The meeting will be remote access only through Zoom. If voting delegates need to cast their vote by means other than a voice vote, each delegate will be provided with a link and login credentials to vote using Association Voting software.

In order for the Voting Delegate to receive their credentials to vote using Association Voting software, the Town Commission will need to appoint a member of the Commission as its voting delegate.

**Recommended Motion:** I move to appoint \_\_\_\_\_ as the 2020 Florida League of Cities Voting Delegate.

**Voting Delegate Form  
FLC Virtual Annual Business Meeting  
Florida League of Cities, Inc.  
August 14, 2020**

It is important that each member municipality designate one of their officials to cast their votes at the Annual Business Session. League By-Laws require that each municipality select one person to serve as the municipalities voting delegate. ***Municipalities do not need to adopt a resolution to designate a voting delegate.***

Please fill out this form and return it to the League office so that your voting delegate may be properly identified. The chosen delegate will receive an email with further electronic voting instructions closer to conference. For this reason, it is important that we have the correct email on file for the voting delegate. **If the delegate changes, please notify us no later than August 7, 2020.**

**Designation of Voting Delegate**

Name of Voting Delegate: \_\_\_\_\_

Title: \_\_\_\_\_

Municipality of: \_\_\_\_\_

Email of Delegate: \_\_\_\_\_

**AUTHORIZED BY:**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

Return this form to:

Eryn Russell  
Florida League of Cities, Inc.  
Fax: (850) 222-3806  
Email: erussell@flcities.com